Municipal Bonds, 2010

by Aaron Barnes

Since 2009, State and local governments have been able to issue three types of bonds to finance essential operations, facilities, infrastructure, and services for their constituents.[1] These three types are tax-exempt, tax credit, and direct payment bonds. Tax-exempt bonds provide bondholders (or investors) interest payments that are exempt from Federal taxation, and often State and local taxation. Tax credit bonds differ from tax-exempt bonds in that they are not explicitly interest-bearing obligations. In lieu of, or in addition to, receiving periodic interest payments from the bond issuer, a tax credit bondholder is generally allowed an income tax credit while the bond is outstanding.[2] Direct payment bonds provide issuers with a Federal subsidy equal to some percentage of the total interest payment made to bondholders. The interest received is subject to Federal taxation; however, the interest rate is generally greater than that of a tax-exempt bond, all things being equal.

Figure A provides an overview of the municipal bond market for 2010. State and local governments raised $556.9 billion from tax-exempt, tax credit, and direct payment bonds. Tax-exempt bond proceeds totaled $420.7 billion, or 75.5 percent, of all municipal bond proceeds during the year, while tax credit bond proceeds totaled almost $1.1 billion and accounted for 0.2 percent. Some 24.3 percent of all municipal bond proceeds came from the recently introduced direct payment bonds and totaled more than $135.1 billion.

This article presents information for the three types of municipal bond financing options available in Calendar Year 2010. The first section looks at several defining characteristics of tax-exempt bonds and provides an overview of the market by State. The next section covers the development of tax credit bond programs and presents tax credit bond data for 2010. The third section of this article discusses direct payment bonds programs and presents bond data for 2010.

Tax-exempt bond data presented here are based on the populations of Forms 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, and Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, filed with the Internal Revenue Service (IRS) for bonds issued during 2010. Direct payment bond data are based on populations of Forms 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, and Forms 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*, filed for specified tax credit bonds issued during the year.[3] Data for issuers of direct payment bonds requesting credit payments are based on the population of Forms 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds*, for bonds with interest payments occurring in Calendar Year 2010. Tax credit bond data are based on the population of Forms 8038-TC filed for tax credit bonds issued during

Aaron Barnes is an economist with the Special Studies Special Projects Section. This data release was prepared under the direction of Melissa Ludlum, Chief.

Figure A

All Municipal Bonds: Total Tax-Exempt, Taxable Direct Payment, and Tax Credit Bonds, by Amount of Proceeds, 2010

[Money amounts are in millions of dollars]

Type of bond	Number	Amount of proceeds	Percentage of total amount
	(1)	(2)	(3)
Total [1]	**29,315**	**556,890**	**100.0**
Tax-exempt bonds	25,660	420,679	75.5
Taxable direct payment bonds [2]	3,456	135,127	24.3
Tax credit bonds [3]	199	1,084	0.2

[1] Includes combined data from all governmental, private activity bond, Build America Bonds, and specified tax credit and tax credit bond returns (Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations;* Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues;* Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bond;* and Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*).

[2] Includes bonds reported on Form 8038-B and Form 8038-G with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Includes specified tax credit bonds reported on Form 8038 and Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A). Issuers who elect to apply section 6431(f) are eligible to receive Federal direct payments and are classified as "taxable direct payment bonds" for purposes of this figure.

[3] Includes bonds reported on Form 8038, Form 8038-B, and Form 8038-TC with a specific reference to "qualified school construction" bonds, "qualified zone academy" bonds, "new clean renewable energy" bonds, "qualified energy conservation" bonds, or "Build America Bond tax credit" bonds in either their issue name or other description. Excludes bonds reported on Form 8038 and Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).

NOTE: Detail may not add to totals because of rounding.

[1] The term "State" includes the District of Columbia, U.S. Possessions, and Federally recognized Indian Tribal governments.

[2] Issuers of certain qualified tax credit bonds, specifically new clean renewable energy bonds and qualified energy conservation bonds, pay bondholders an interest payment in addition to the tax credit the bondholder receives. For additional information, see "Frequently Asked Question on Qualified Tax Credit Bonds and Specified Tax Credit Bonds" at http://www.irs.gov/pub/irs-tege/tc_and_stcb_q-a._09-07-10_1.5.pdf.

[3] Issuers of Build America Bonds and recovery zone economic development bonds were instructed to file Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*. The 2010 data contain a small number of Forms 8038-G, *Information Return for Tax-Exempt Governmental Obligations*, with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description.

Calendar Year 2010.[4] The vast majority of these returns were filed in 2010 and 2011.[5]

Tax-Exempt Bonds

Tax-exempt bonds issued by State and local governments are classified as either "governmental" or "private activity," depending on whether the proceeds are used and secured by public or private entities and resources. Between Calendar Years 2009 and 2010, the total amount of tax-exempt bonds issued by State and local governments decreased 5.7 percent, from $446.2 billion to $420.7 billion.[6] For 2010, governmental bonds accounted for $293.6 billion (69.8 percent) of total tax-exempt bond proceeds, a decrease of 13.8 percent from $340.7 billion issued in 2009. Private activity bonds accounted for the remaining $127.1 billion (30.2 percent).

When a bond is issued, the issuer is obligated to repay the borrowed bond proceeds at a specified rate of interest, by some future date. For Federal income tax purposes, investors who purchase governmental bonds and certain types of private activity bonds are able to exclude the bond interest from their gross incomes.[7,8] This tax exemption lowers the borrowing cost incurred by tax-exempt bond issuers, since bondholders are generally willing to accept an interest rate lower than that earned on comparable taxable bonds.[9,10]

Both governmental and private activity bonds are obligations issued by, or on behalf of, State and local governmental units; use of the proceeds differentiates the two. Governmental bond proceeds finance essential government operations, facilities, and services for general public use, and the debt service on these bonds is paid from general governmental sources. Private activity bonds are issued by, or on behalf of, State or local governments to finance the project of a private user. Since private activity bond proceeds are used by one or more private entities, the debt service is also paid or secured by one or more private entities.[11] Interest income earned on most private activity bonds is taxable. However, over the years, Congress has deemed certain types of private activities necessary for the public good, and therefore, interest income earned on "qualified private activity bonds," as defined in IRC section 141(e), is generally tax exempt.[12,13]

Tax-Exempt Bond Volume, by Term of Issue

Bonds are classified as either short term or long term, depending on the length of time from issuance to maturity. Bonds having maturities of less than 13 months are typically classified as short term, while those having maturities of 13 months or more are classified as long term. Of the $293.6 billion in tax-exempt governmental bonds issued, long-term bonds accounted for $217.3 billion, more than 74 percent of all governmental bond proceeds in 2010. Long-term bonds are generally used to finance construction or other capital improvement projects.

The remaining $76.4 billion of governmental bonds were issued for short-term projects. Most short-term

[4] Prior to June 2010, issuers of tax credit bonds were instructed to file Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*. The 2010 data include a small number of tax credit bonds reported on Form 8038 that specifically reference "qualified school construction" bonds, "clean renewable energy" bonds, "Midwestern tax credit" bonds, or "qualified zone academy" bonds. For tax credit bonds issued after March 2010, issuers were required to file the new Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*.

[5] Bond issuers were required to file these information returns by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued.

[6] For Calendar Year 2009 data, see Barnes, Aaron, "Municipal Bonds, 2009," *Statistics of Income Bulletin,* Fall 2011, Volume 31, Number 2.

[7] In addition, for State income tax purposes, most States allow for the exclusion of interest on bonds issued by government agencies within their own States, thus increasing the benefit to the bondholder.

[8] The extent of exclusion of interest income can vary with taxpayer characteristics. For example, banks and insurance companies may be limited as to how much tax-exempt interest they can exclude.

[9] The interest exclusion for tax-exempt bonds is not allowed for arbitrage bonds or unregistered bonds. An arbitrage bond is one in which any portion of the proceeds is used to purchase higher-yielding investments or to replace proceeds that have been used to purchase higher-yielding investments. Certain rules allow for arbitrage earnings with respect to tax-exempt bonds within a specified period, as long as these earnings are rebated to the Department of the Treasury.

[10] A registered bond is defined as "a bond whose owner is designated on records maintained by a registrar, the ownership of which cannot be transferred without the registrar recording the transfer in its records," according to the Municipal Securities Rulemaking Board's *Glossary of Municipal Securities Terms,* http://www.msrb.org/msrbl/glossary/. See also IRC section 149(a) for additional information.

[11] Section 141(a) of the Internal Revenue Code (IRC) provides that the term private activity bond means any bond issued as part of an issue that meets: 1) the private business tests set forth in the IRC section 141(b); or 2) the private loan financing test set forth in IRC section 141(c). The private business tests of IRC section 141(b) define a bond as a private activity bond if both of the following criteria are met: 1) more than 10 percent of the bond proceeds are used for a private business purpose; and 2) more than 10 percent of the bond debt service is derived from private business use and is secured by privately used property. The private loan-financing test of IRC section 141(c) defines a bond as a private activity bond if the amount of proceeds used to (directly or indirectly) finance loans to nongovernmental persons exceeds the lesser of $5 million or 5 percent of the proceeds.

[12] Tax-exempt private activity bonds include exempt facility bonds, qualified mortgage bonds, qualified veterans' mortgage bonds, qualified small issue bonds, qualified student loan bonds, qualified redevelopment bonds, and qualified section 501(c)(3) bonds, all of which are defined in the "Explanation of Terms" section of this article. Examples of exempt facilities include airports; docks and wharves; sewage facilities; solid waste disposal facilities; qualified residential rental projects; and facilities for the local furnishing of electricity or gas. Qualified section 501(c)(3) bonds are issued by State and local governments to finance the activities of charitable and similar organizations that are tax exempt under IRC section 501(c)(3). The primary beneficiaries of these bonds are hospitals, universities, and organizations that provide low-income housing or assisted living facilities.

[13] The interest income from qualified private activity bonds (other than qualified section 501(c)(3) bonds) is considered a tax preference for the alternative minimum tax calculations.

governmental bonds are issued as tax anticipation notes (TANs), revenue anticipation notes (RANs), or bond anticipation notes (BANs). TANs and RANs generally mature within 1 year of issuance, at which time the proceeds are paid from specific tax receipts or other revenue sources. The proceeds of a BAN are typically used to pay for start-up costs associated with a future long-term, bond-financed project. A renewal BAN can be issued on maturity of an outstanding BAN until, eventually, the proceeds of the future bond issue are used to pay off or retire the outstanding BAN. BANs, TANs, and RANs accounted for almost $73.1 billion, nearly 24.9 percent of the total governmental bond proceeds for 2010. Short-term private activity bond proceeds totaled more than $3.4 billion, only 2.7 percent of the total private activity bond proceeds for 2010.

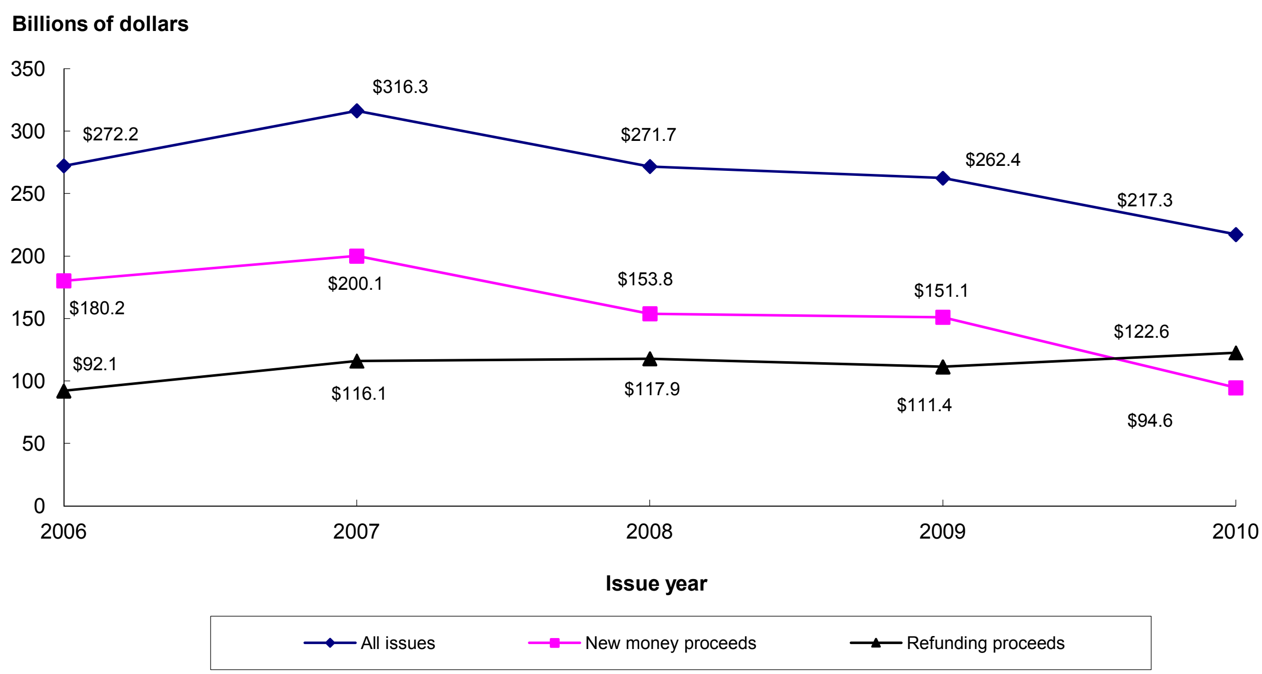
Long-Term, Tax-Exempt Bond Volume, by Type of Issue

Total bond issuance is composed of both nonrefunding ("new money") issues and refunding issues. Proceeds from new money issues finance new capital projects, while proceeds from refunding issues retire outstanding debt of prior bond issues. A bond issue can include both new and refunding proceeds.

Figures B and C show total long-term issuance, as well as its distribution between new money and refunding proceeds for both governmental and tax-exempt private activity bonds issued between 2006 and 2010. In 2010, some 43.5 percent of all long-term governmental bond proceeds were new money issues (Figure B). Proceeds from new money government bonds decreased

Figure B

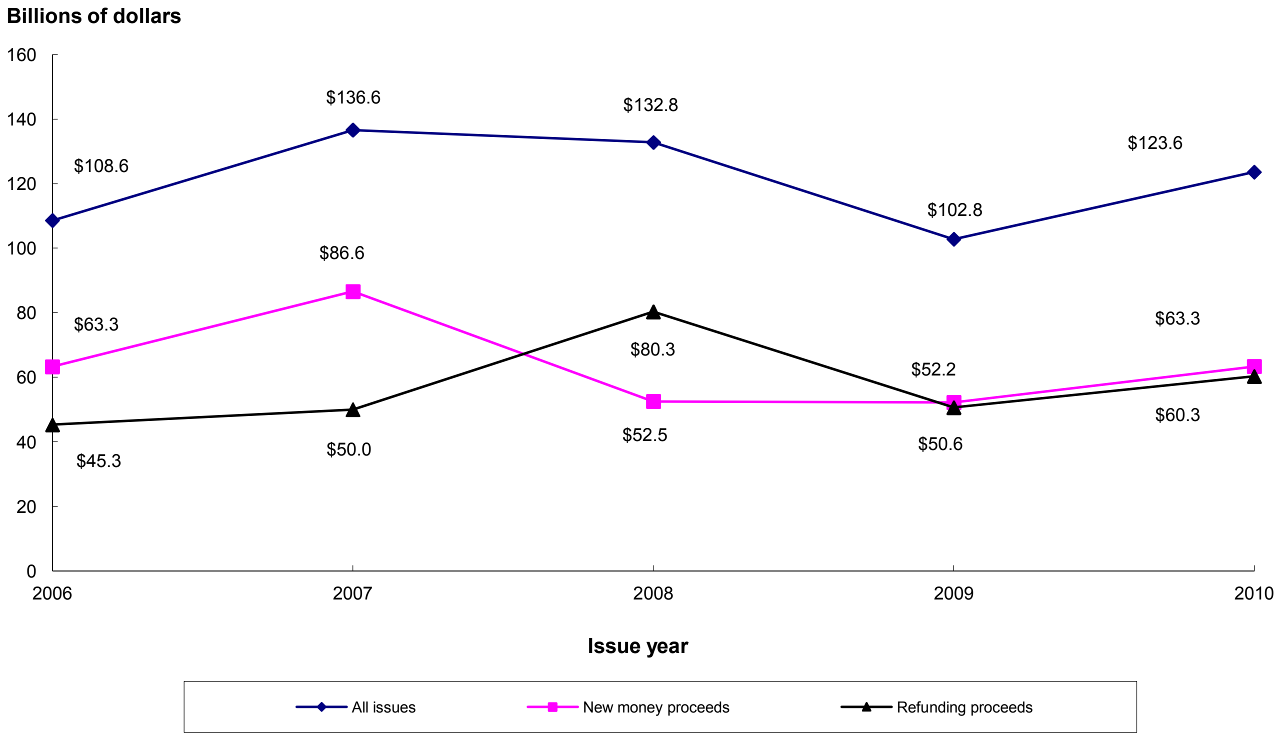
Volume of Long-Term, Tax-Exempt Governmental Bonds Issued, by Type and Issue Year, 2006-2010



NOTE: Detail may not add to totals because of rounding.

Figure C

Volume of Long-Term, Tax-Exempt Private Activity Bonds Issued, by Type and Issue Year, 2006–2010



37.4 percent, from $151.1 billion in 2009 to $94.6 billion in 2010, a 44.7-percent decline from the preceding 4-year average of $171.3 billion. Refunding governmental bond proceeds increased 10.1 percent, from $111.4 billion in 2009 to $122.6 billion in 2010, an approximate 12.1-percent increase from the preceding 4-year average of $109.4 billion.[14] This is the first time since 1993 that States issued more long-term governmental bond refunding proceeds than new money proceeds. A low interest rate environment, combined with the availability of direct payment bonds, are possible reasons for issuing more long-term governmental bond proceeds for refunding issues than for new money issues.

For 2010, some 51.5 percent of all long-term private activity bond proceeds were new money issues (Figure C). New money private activity bond proceeds increased 21.9 percent from $52.2 billion in 2009 to $63.3 billion in 2010; however, new money proceeds were 0.5 percent lower than the preceding 4-year average of $63.7 billion. Refunding private activity bond proceeds increased 19.2 percent from $50.6 billion in 2009 to $60.3 billion in 2010, some 6.6 percent higher than the preceding 4-year average of $56.6 billion.

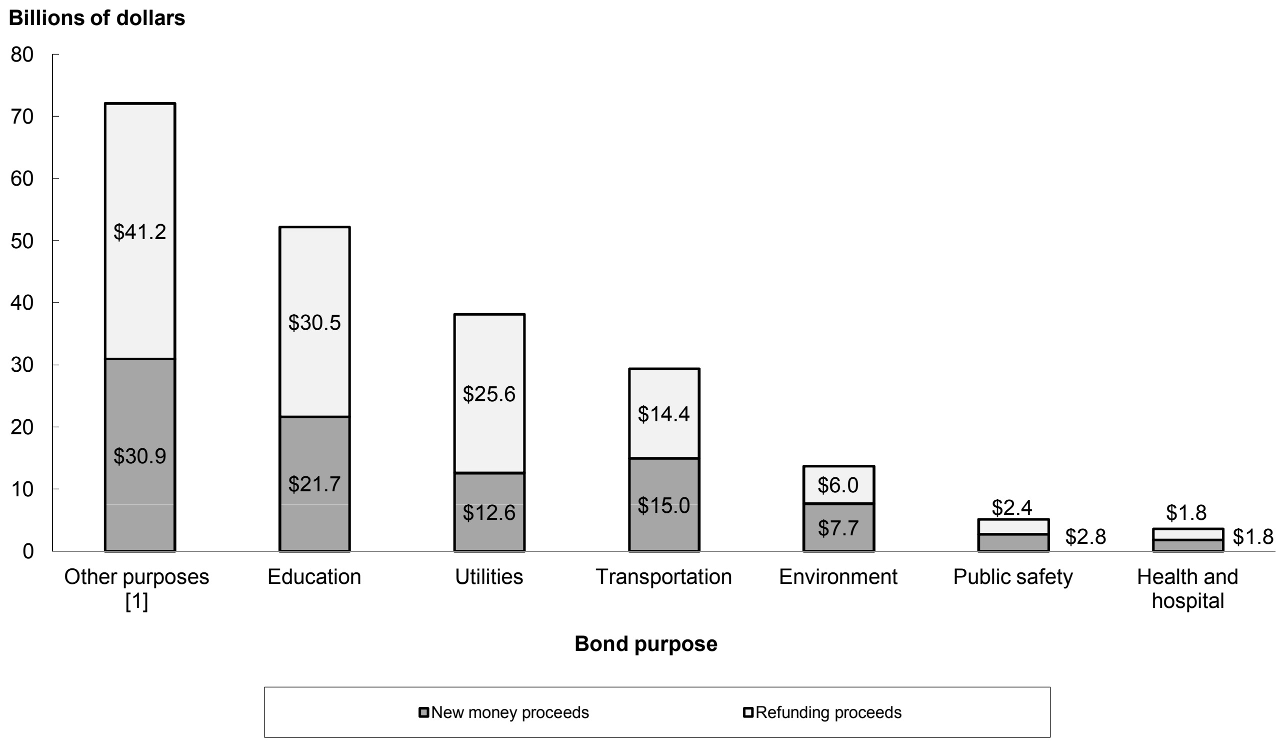
Long-Term, Tax-Exempt Bond Volume, by Selected Purpose

Figures D and E present the composition of long-term, tax-exempt bond proceeds for both governmental and private activity bond issues, by selected purpose and type of issue. During 2010, more than half (55.1 percent) of the total $217.3 billion in long-term, governmental bond proceeds financed education, utilities, and transportation projects. Nearly one-third (33.2 percent) of these proceeds were used for "other bond purposes." Proceeds used for other bond purposes may contain issues that were not separately allocated by the issuer, or issues not applicable to any of the purposes listed on Form 8038-G. Issuers of governmental bonds for education, utilities, and other purposes used more proceeds to refund prior issues than to finance new capital projects. Conversely,

[14] Additional tax-exempt bond data, including data for prior years, can be found on SOI's Tax Stats Web pages: http://www.irs.gov/taxstats. Click on "Tax-Exempt Bonds."

Figure D

Long-Term, Tax-Exempt Governmental Bonds, by Selected Bond Purpose and Type of Issue, 2010



[1] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G. It does not include specific purposes, such as housing and bond and tax/revenue anticipation notes, that are not shown separately in the figure. See Table 2.

issuers of governmental bonds for transportation, environment, and public safety used more proceeds to finance new capital projects than to refund prior bond issues (Figure D). Only governmental bonds with proceeds used for health and hospital projects spent an equal amount to finance new capital projects and refund prior bond issues.

Qualified section 501(c)(3) bonds include total qualified hospital bonds and qualified nonhospital bonds issued to benefit entities exempt from income tax under IRC section 501(c)(3). Combined, these bonds accounted for 49.3 percent of the $123.6 billion of long-term, private activity bond proceeds for 2010 (Figure E). For almost all private activity bond purposes shown in Figure E, more proceeds were spent financing new capital projects than refunding prior bond issues, with the exceptions of qualified hospital and water, sewage, and solid waste disposal.

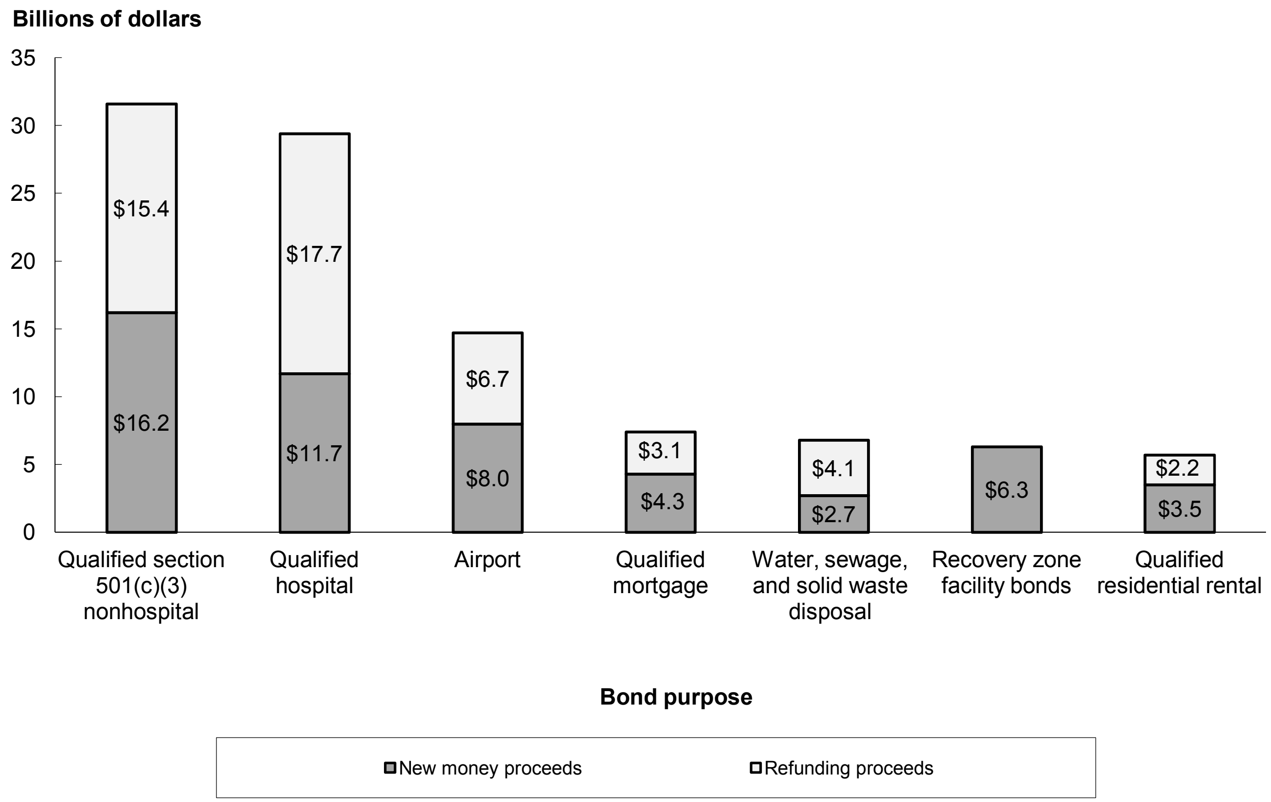
The American Recovery and Reinvestment Act of 2009 (ARRA) added IRC section 1400U-3, which authorized the issuance of tax-exempt recovery zone exempt facility bonds. These are private activity bonds issued by State and local governments to finance qualified projects located in “recovery zones.” A recovery zone is an area that has significant poverty, unemployment, home foreclosure rates, general distress, or distress from the closure of a military installation. It also includes those areas designated as an empowerment zone or renewal community.[15] Qualified projects include any trade or business except those used for residential real estate, and any trade or business under IRC 144(c)(6)(B).[16] For 2010, there were 427 recovery zone exempt facility bonds issued for a total of $6.3 billion in long-term, new money proceeds.

[15] See Internal Revenue Notice 2009-50 for additional information.

[16] IRC section 144(c)(6)(b) requires that proceeds may not be used for any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack or other facility used for gambling, or any store whose principal business is the sale of alcoholic beverages for consumption on the premises.

Figure E

Long-Term, Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Type of Issue, 2010



Overview of Tax-Exempt Bond Issues, by State

Figure F presents States with the largest absolute decreases and increases in the amount of new money long-term, tax-exempt governmental bonds. Total proceeds for this type of bond decreased $56.4 billion (37.3 percent) from 2009 to 2010, falling to $94.6 billion. Issuances in California and New York fell 48 percent and 59.6 percent, respectively, and these States experienced the largest absolute decreases in these bond proceeds. Texas experienced a decrease (40.5 percent) in this type of governmental bond proceeds during the year. In all, from 2009 to 2010, new money long-term governmental bond proceeds decreased in 40 States by nearly $60.2 billion.

Florida experienced the largest absolute increase (16.8 percent) in new money long-term governmental bond proceeds from 2009 to 2010. Other States with significant increases included U.S. Possessions (up 60 percent), Oklahoma (up 18.9 percent), and Louisiana (up 24.3 percent). In all, from 2009 to 2010, new money long-term governmental bond proceeds increased in 12 States by slightly more than $3.7 billion.

Figure G presents the amount of governmental bond proceeds for the top 15 States, in terms of total dollar volume of new money long-term, tax-exempt bonds issued for 2010. Combined, these States accounted for 71.9 percent of the total $94.6 billion of new money long-term governmental bond proceeds for the year. About $42.7 billion (45.1 percent) of the total proceeds were issued by authorities in the following five States: California (15.3 percent), Texas (9.1 percent), Florida (8.9 percent), New York (7 percent), and Pennsylvania (4.8 percent). Together, according to 2010 Census estimates, these five States accounted for almost 34.6 percent of the total U.S. population.[17]

[17] The resident population estimates for July 1, 2010, were produced by the U.S. Bureau of the Census.

Figure F

States with Largest Decreases and Increases in Amount of New Money Long-Term, Tax-Exempt Governmental Bonds, 2009–2010

[Money amounts are in millions of dollars]

State of issue	2009 amount	2010 amount	Change in amount	Percentage change in amount
	(1)	(2)	(3)	(4)
All States	**151,050**	**94,644**	**-56,406**	**-37.3**
States with decreases:				
California	27,872	14,502	-13,370	-48.0
New York	16,364	6,612	-9,752	-59.6
Texas	14,512	8,630	-5,882	-40.5
Connecticut	3,453	1,160	-2,293	-66.4
Virginia	3,740	1,599	-2,141	-57.2
States with increases:				
Florida	7,224	8,436	1,212	16.8
U.S. Possessions [1]	1,966	3,145	1,179	60.0
Oklahoma	1,605	1,909	304	18.9
Louisiana	1,239	1,540	301	24.3
New Hampshire	177	380	203	114.7

[1] U.S. Possessions include Guam, Puerto Rico, and the U.S. Virgin Islands.
NOTE: Detail may not add to totals because of rounding.

Figure G

New Money Long-Term, Tax-Exempt Governmental Bonds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Tax-Exempt Governmental Bond Issuance, 2010

[Money amounts are in millions of dollars]

State of issue	Total	Selected bond purpose									
		Other purposes [1]		Education		Transportation		Utilities		Environment	
	Amount	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All States	**94,644**	**30,939**	**32.7**	**21,682**	**22.9**	**14,962**	**15.8**	**12,596**	**13.3**	**7,679**	**8.1**
California	14,502	1,660	11.4	4,010	27.7	2,726	18.8	2,897	20.0	1,408	9.7
Texas	8,630	2,211	25.6	3,243	37.6	570	6.6	2,194	25.4	194	2.2
Florida	8,436	4,138	49.1	897	10.6	1,711	20.3	1,148	13.6	447	5.3
New York	6,612	3,218	48.7	1,071	16.2	1,645	24.9	119	1.8	97	1.5
Pennsylvania	4,529	847	18.7	1,356	29.9	633	14.0	498	11.0	829	18.3
Illinois	3,709	2,241	60.4	789	21.3	511	13.8	35	0.9	d	d
Arizona	3,227	1,703	52.8	342	10.6	693	21.5	d	d	405	12.6
U.S. Possessions [2]	3,145	2,449	77.9	d	d	0	0	d	d	0	0
Washington	2,655	1,171	44.1	393	14.8	66	2.5	333	12.5	461	17.4
New Jersey	2,336	578	24.7	529	22.6	673	28.8	91	3.9	355	15.2
North Carolina	2,295	1,053	45.9	595	25.9	168	7.3	114	5.0	32	1.4
Minnesota	2,166	1,096	50.6	281	13.0	355	16.4	244	11.3	86	4.0
Georgia	2,091	456	21.8	322	15.4	d	d	958	45.8	216	10.3
Oklahoma	1,909	163	8.5	976	51.1	250	13.1	397	20.8	d	d
Iowa	1,809	568	31.4	719	39.7	70	3.9	84	4.6	129	7.1

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.
[1] For purposes of this figure, "other purposes" refers to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G. It does not include specific purposes, such as public safety and housing, that are not shown separately in the figure. See Table 1.
[2] U.S. Possessions include Guam, Puerto Rico, and the U.S. Virgin Islands.
NOTE: Detail may not add to totals because of rounding.

An examination of issuance by State reveals some differences in the allocation of proceeds by bond purpose. Overall, for 2010, some 22.9 percent of the $94.6 billion of new money long-term governmental bonds was issued for educational purposes. However, of the total amount for these bonds issued in Oklahoma, 51.1 percent was issued for education. In contrast, 10.6 percent of long-term governmental bonds issued in both Florida and Arizona was for this purpose.

Transportation projects accounted for 15.8 percent of States' total new money long-term proceeds. In New Jersey, however, 28.8 percent of the total amount of new money long-term governmental bonds was for transportation, while in Iowa, only 3.9 percent was allocated for the same purpose. Transportation bonds accounted for only 2.5 percent of Washington's total amount of new money long-term bond issues.

Utility bond proceeds accounted for 13.3 percent of all new money long-term governmental bonds in 2010. Georgia and Texas each spent a large portion of their total allocation on utility projects, 45.8 percent and 25.4 percent, respectively. In contrast, New York allocated 1.8 percent of its total amount of new money long-term bonds to utility projects.

Figure H presents States with the largest absolute decreases and increases in the amount of new money long-term, tax-exempt private activity bonds from 2009 to 2010. Total new money long-term, tax-exempt private activity bond proceeds increased by approximately $11.1 billion (21.3 percent). New York experienced the largest absolute decrease (34.2 percent) in these bond proceeds in 2010. States with significant relative decreases in new money long-term, tax-exempt private activity bonds included California (down 17.7 percent), Illinois (down 14.6 percent), and New Mexico (down 79.9 percent). For the 17 States that reduced their issuance of these types of bonds in 2010, the overall reduction in proceeds totaled $6.1 billion.

Louisiana experienced the largest relative increase (277.6 percent) in new money long-term, tax-exempt private activity bond proceeds, which was due to increases in Qualified Gulf Opportunity Zone exempt facility bonds and Gulf Opportunity Zone mortgage bonds.[18] From 2009 to 2010, other States with significant increases in these types of bond issues included Texas (up 90.7 percent) and Florida (up 97 percent). In all, new money long-term, tax-exempt private activity bond proceeds increased in 35 States by just less than $17.2 billion.

Figure H

States with Largest Decreases and Increases in Amount of New Money Long-Term, Tax-Exempt Private Activity Bonds, 2009–2010

[Money amounts are in millions of dollars]

State of issue	2009 amount	2010 amount	Change in amount	Percentage change in amount
	(1)	(2)	(3)	(4)
All States	52,216	63,330	11,114	21.3
States with decreases:				
New York	7,582	4,990	-2,592	-34.2
California	7,389	6,082	-1,307	-17.7
Illinois	3,007	2,567	-440	-14.6
Indiana	1,162	774	-388	-33.4
New Mexico	462	93	-369	-79.9
States with increases:				
Louisiana	941	3,553	2,612	277.6
Texas	2,620	4,997	2,377	90.7
Florida	2,102	4,141	2,039	97.0
Mississippi	517	1,605	1,088	210.4
Georgia	1,014	1,852	838	82.6

NOTE: Detail may not add to totals because of rounding.

[18] The Gulf Opportunity Zone Act of 2005, signed into law as Public Law 109-135 on December 21, 2005, authorized a new category of tax-exempt bonds. The proceeds of such bonds are used to finance the construction and rehabilitation of certain residential and nonresidential property located in certain localities of Alabama, Louisiana, and Mississippi, designated as the "Gulf Opportunity Zone." This area constitutes the portion of the Hurricane Katrina disaster area, determined by the President to warrant individual or individual and public assistance from the Federal government, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

Figure I

New Money Long-Term, Tax-Exempt Private Activity Bond Proceeds, by Selected Bond Purpose, for Top 15 States, Ranked by Total Tax-Exempt Private Activity Bond Issuance, 2010

[Money amounts are in millions of dollars]

State of issue	Total proceeds	Selected bond purpose									
		Qualified section 501(c)(3) nonhospital		Qualified hospital		Airports, docks, and wharves [1]		Recovery zone exempt facility bonds		Qualified mortgage	
	Amount	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total	Amount	Percent of State total
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
All States	**63,330**	**16,202**	**25.6**	**11,710**	**18.5**	**8,794**	**13.9**	**6,267**	**9.9**	**4,295**	**6.8**
California	6,082	1,526	25.1	349	5.7	2,568	42.2	559	9.2	d	d
Texas	4,997	1,112	22.3	790	15.8	783	15.7	d	d	0	0
New York	4,990	1,649	33.0	504	10.1	d	d	470	9.4	209	4.2
Florida	4,141	955	23.1	460	11.1	983	23.7	194	4.7	439	10.6
Louisiana	3,553	325	9.1	d	d	d	d	17	0.5	d	d
Pennsylvania	2,733	913	33.4	864	31.6	d	d	84	3.1	d	d
Illinois	2,567	1,022	39.8	531	20.7	111	4.3	459	17.9	0	0
Massachusetts	2,442	1,085	44.4	520	21.3	d	d	269	11.0	d	d
Ohio	2,276	456	20.0	829	36.4	d	d	488	21.4	d	d
Georgia	1,852	327	17.7	450	24.3	d	d	239	12.9	d	d
New Jersey	1,685	766	45.5	393	23.3	0	0	110	6.5	0	0
Virginia	1,618	386	23.9	378	23.4	0	0	133	8.2	d	d
Mississippi	1,605	20	1.2	d	d	0	0	d	d	d	d
Minnesota	1,240	553	44.6	103	8.3	d	d	134	10.8	d	d
North Carolina	1,226	d	d	531	43.3	0	0.0	384	31.3	0	0

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] For purposes of this figure, certain bond purposes were combined. The data here will differ slightly from the the data in Tables 7 and 9.

NOTE: Detail may not add to totals because of rounding.

Figure I shows the amount of bond proceeds for the top 15 States, in terms of total dollar volume of new money long-term, tax-exempt private activity bonds issued for 2010. Combined, these States accounted for 67.9 percent of the total $63.3 billion of new money long-term, tax-exempt private activity bond proceeds for the year. Almost $23.8 billion (37.5 percent) of the total proceeds was issued by authorities in the following five States: California (9.6 percent), Texas (7.9 percent), New York (7.9 percent), Florida (6.5 percent), and Louisiana (5.6 percent). Together, according to 2010 Census estimates, these five States accounted for almost 34.1 percent of the total U.S. population.

Similar to governmental bond issuance, there were differences among the States in the composition of total new money long-term, tax-exempt private activity bond issuance, by purpose. Examining the bond allocations by purpose for 2010 overall, 25.6 percent of this type of proceed was for qualified IRC section 501(c)(3) nonhospital organizations; another 18.5 percent was issued for qualified hospital bonds.

Of the total amount of new money long-term, tax-exempt private activity bond proceeds raised in New Jersey, 45.5 percent was issued for IRC section 501(c)(3) nonhospital organizations, compared to 9.1 percent in Louisiana and 1.2 percent in Mississippi. Qualified hospital bonds accounted for 43.3 percent of North Carolina's new money long-term, tax-exempt private activity bond proceeds, compared to 10.1 percent and 8.3 percent for New York and Minnesota, respectively. Of the top 15 States, California had the smallest total issuance for qualified hospitals, with only 5.7 percent of its total proceeds allocated for this purpose.

Bonds issued for airports, docks, and wharves accounted for 13.9 percent of all new money long-term, tax-exempt private activity bond proceeds in 2010, totaling $8.8 billion. California committed 42.2 percent of its total new money long-term private activity bond proceeds toward airports, docks, and wharves, while Florida allocated 23.7 percent for this purpose.

Together, States allocated 9.9 percent of the $63.3 billion of new money long-term, tax-exempt private activity bonds in 2010 for recovery zone exempt facility bonds, which allow State and local governments to issue tax-exempt bonds for projects located in areas designated as "recovery zone property."[19] As previously mentioned, recovery zones are areas having significant poverty, unemployment, home foreclosure rates, general distress, or distress from the closure of a military installation, or those areas designated as an empowerment zone or renewal community. North Carolina and Ohio directed a much larger share of their total new money long-term proceeds to this purpose, 31.3 percent and 21.4 percent, respectively. In contrast, Louisiana directed only 0.5 percent of its new money long-term bond proceeds to recovery zone exempt facility bonds.

Tax Credit Bonds

Tax credit bonds differ from tax-exempt bonds in that they are not explicitly interest-bearing obligations. In lieu of or in addition to receiving periodic interest payments from the issuer, a bondholder is generally allowed an income tax credit while the bond is outstanding. The amount of the credit is determined by multiplying the bond's subsidy rate times the credit rate and face amount on the holder's bond. The credit rate on the bonds is determined by the Secretary of the Treasury and is an estimate of the rate that permits issuance of such bonds without discount and interest cost to the qualified issuer. The credit is includable in the bondholder's gross income (as if it were an interest payment on the bond) and can be claimed against regular income tax liability and alternative minimum tax liability.

The Taxpayer Relief Act of 1997 created the first type of tax credit bond—the qualified zone academy bond. In 2005, two additional types—clean renewable energy bonds and Gulf tax credit bonds—were created. Since then, various legislation has authorized additional types of tax credit bonds, such as qualified forestry conservation bonds, new clean renewable energy bonds, qualified energy conservation bonds, Midwestern tax credit bonds, and qualified school construction bonds.[20,21] Issuers of tax credit bonds are required to file Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.* ARRA included several provisions that affected tax credit bonds. Most notably, the Act authorized the issuance of qualified school construction bonds, the proceeds of which finance the construction, rehabilitation, or repair of a public school facility or the purchase of land on which a public school facility shall be built.[22] ARRA also created tax credit Build America Bonds, which could be issued for any purpose traditionally funded with tax-exempt governmental bonds and subject to the same restrictions that apply to tax-exempt governmental bonds under IRC section 103. Tax credit Build America Bonds are interest-bearing obligations, which differentiates them from traditional tax credit bonds that provide bondholders a tax credit in lieu of any interest payment. ARRA also amended various IRC sections to modify volume cap provisions for several types of existing tax credit bonds.

The Hiring Incentives to Restore Employment Act of 2010 (HIRE) enacted on March 18, 2010, extended direct payment provisions to certain issuers of qualified tax credit bonds under IRC section 6431(f).[23] Once an issuer elected to apply section 6431(f), the qualified tax credit bond became a "specified tax credit bond," which is a direct payment bond. In lieu of issuing bonds with a tax credit to the bondholder, issuers of new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds could elect to receive a Federal direct payment subsidy equal to a certain percentage of their borrowing costs. Specifically, issuers of qualified school construction bonds and qualified zone academy bonds could receive the lesser of 100 percent (70 percent for new clean renewable energy bonds and qualified energy conservation bonds) of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. Once an issuer elects to apply for the direct payment subsidy under IRC section 6431(f), it is irrevocable, and the qualified tax credit bond is regarded as a specified tax credit bond. Data on specified tax credit bonds are presented in the discussion of direct payment bonds in the next section of this article.

[19] Recovery zone exempt facility bonds were created under ARRA, IRC section 1400U-3. Recovery zone exempt facility bonds are subject to volume cap restrictions and had to be issued before January 1, 2011.

[20] The Food, Conservation, and Energy Act of 2008 created qualified forestry conservation bonds. The Energy Improvement and Extension Act of 2008 produced new clean renewable energy bonds and qualified energy conservation bonds. The Tax Extenders and Alternative Minimum Tax Relief Act of 2008 created Midwestern tax credit bonds.

[21] Different categories of tax credit bonds vary in terms of the allowable tax credit rate, maturity, and other features. For example, clean renewable energy bonds and qualified zone academy bonds have a 100-percent tax credit subsidy; however, new clean renewable energy bonds and qualified energy conservation bonds have a 70-percent subsidy. Borrowers are likely to offer these issues at a discount or pay taxable interest in addition to the tax credit received by the lender.

[22] See Internal Revenue Notice 2010-17 for current information on qualified school construction bonds.

[23] IRC section 54(A)(d)(1) states that the term "qualified tax credit bond" means—(a) a qualified forestry conservation bond, (b) a new clean renewable energy bond, (c) a qualified energy conservation bond, (d) a qualified zone academy bond, or (e) a qualified school construction bond.

Figure J

Tax Credit Bonds, by Issue Type, 2010

[Money amounts are in millions of dollars]

Type of bond	Tax credit bonds [2]	
	Number	Amount
Total [1]	**199**	**1,084**
Qualified school construction bonds	134	879
Qualified zone academy bonds	43	163
All other tax credit bonds, combined [3]	22	42

[1] Includes bonds reported on Form 8038, Form 8038-B, and Form 8038-TC with a specific reference to "qualified school construction" bonds, "qualified zone academy" bonds, "new clean renewable energy" bonds, "qualified energy conservation" bonds, or "Build America Bond tax credit" bonds in either their issue name or other description. Excludes bonds reported on Form 8038 and Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).

[2] Includes tax credit bonds reported on Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*, Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues,* and Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds,* with a reference to "new clean renewable energy" bond, "qualified energy conservation" bond, "qualified zone academy" bond, "qualified school construction" bond, or "Build America Bond tax credit" bonds in the issue name or the description field for other issue type.

[3] For purposes of this figure, this category includes tax credit bonds issued for new clean renewable energy bonds, qualified energy conservation bonds, and Build America Bond tax credits in order to avoid disclosure of information about specific bonds.

There were nearly $1.1 billion in tax credit bond proceeds in 2010, representing a 70.9-percent decrease from the $3.7 billion issued in 2009 (Figure J). Qualified school construction bond proceeds totaled $879 million, equaling roughly 81.1 percent of the entire tax credit bond market. Qualified zone academy bonds accounted for 15 percent of all tax credit bonds issued in 2010, with proceeds totaling $163 million. All other tax credit bonds combined, which include new clean renewable energy bonds, qualified energy conservation bonds, and tax credit "Build America Bond," accounted for another $42 million in total tax credit bond proceeds in 2010.

The top five States with the highest dollar issuance of tax credit bonds were Texas, Indiana, Minnesota, California, and New York (Figure K). Combined, these States issued $551 million (50.8 percent) of all tax credit bonds. Texas issued the largest amount of tax credit bonds, accounting for $211 million (19.5 percent) of the total. Indiana and Minnesota had similar amounts of tax credit bond issuance, with $98 million (9 percent) and $95 million (8.8 percent), respectively.

Direct Payment Bonds

In addition to the tax credit bonds discussed in the previous section, ARRA authorized direct payment bond issuance through the Build America Bonds (BAB) and the Recovery Zone Economic Development Bond (RZED) Programs.[24] ARRA allows issuers of these bonds to elect (in lieu of issuing tax-exempt bonds) to receive a direct refundable credit payment from the Federal government equal to a percentage of the interest payments made. Issuers of Build America Bonds receive a credit payment equal to 35 percent of interest payable, and issuers of recovery zone economic development bonds receive a credit payment equal to 45 percent of interest payable. As discussed previously, HIRE extended the direct pay provision to certain issuers of qualified tax credit bonds. In lieu of issuing bonds with a tax credit to the bondholder, issuers of specified tax credit bonds may elect to receive a Federal direct payment on an interest payment date equal to a certain percentage of the interest paid.[25] Specified tax credit bondholders receive taxable interest payments from the issuer instead of a tax credit.

Figure K

Tax Credit Bonds, for All States and Top Five States, 2010

[Money amounts are in millions of dollars]

State of issue	Total tax credit bonds [1]			
	Number	Amount	Percentage of total amount	Rank
	(1)	(2)	(3)	(4)
All States	**199**	**1,084**	**100.0**	**N/A**
Top five States, total	**69**	**551**	**50.8**	**N/A**
Texas	28	211	19.5	1
Indiana	10	98	9.0	2
Minnesota	17	95	8.8	3
California	8	76	7.0	4
New York	6	71	6.5	5

N/A—Not applicable. Rank applies only to individual States.

[1] Combines tax credit bonds reported on Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds.* Data also combines tax credit bonds reported on Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues,* and Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds,* with a reference to "new clean renewable energy" bond, "qualified energy conservation" bond, "qualified zone academy" bond, "qualified school construction" bond, or "Build America Bond tax credit" bonds in the issue name or the description field for other issue type.

NOTE: Detail may not add to totals because of rounding.

[24] For additional information regarding ARRA provisions affecting tax credit bonds, see Barnes, Aaron, "Tax-Exempt Bonds, 2009," *Statistics of Income Bulletin*, Fall 2011, Volume 31, Number 2.

[25] Internal Revenue Notice 2010-35 states, "Section 301 of the Hiring Incentives to Restore Employment Act, Pub. L. No. 111-147, 124 Stat. 71 (2010) (the "HIRE Act") added subsection (f) to section 6431 of the Code, which authorizes issuers to irrevocably elect to receive Federal direct payments of allowances of refundable tax credits to subsidize a prescribed portion of their borrowing costs instead of the Federal tax credits that otherwise would be allowed to holders of certain qualified tax credit bonds under section 54A. For more information regarding the HIRE Act see Internal Revenue Notice 2010-35.

For Calendar Year 2010, issuers of BABs and RZEDs were required to file Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds,* and issuers of specified tax credit bonds were required to file Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds*. A direct payment bond issuer was required to attach a debt service schedule with the following information: type of interest rate (variable or fixed), frequency of interest payments, total principal outstanding on each interest payment date, credit payment expected from the IRS, and earliest call date of the bond.

Figure L shows direct payment bond issuance allowed under ARRA and HIRE for 2010. A total of 3,456 direct payment bonds raised more than $135.1 billion in proceeds, more than double the amount of direct payment bond proceeds for 2009 ($65.3 billion). Direct payment bonds allowed under ARRA raised more than $126.2 billion and accounted for 93.4 percent of all direct payment bonds issued in 2010. For 2010, the majority (88.9 percent) of direct payment bonds were BABs; another 4.5 percent was issued as recovery zone economic development bonds.

Figure L also shows the total specified tax credit bond issuance allowed under HIRE. In total, 870 specified tax credit bonds raised nearly $8.9 billion in bond proceeds and made up 6.6 percent of all direct payment bonds issued in 2010. Qualified school construction bonds made up 5.8 percent of total direct payment bond proceeds, with slightly more than $7.8 billion issued in 2010. Qualified zone academy bonds, qualified energy conservation bonds, and new clean renewable energy bonds accounted for $332 million, $379 million, and $371 million in proceeds, respectively. This suggests that issuers preferred to issue specified tax credit bonds over qualified tax credit bonds. Of the $10 billion in tax credit bonds and specified tax credit bonds issued in 2010, slightly less than $8.9 billion (over 89.1 percent) were specified tax credit bonds.

Figure L

Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA) and Specified Tax Credit Bonds Allowed Under the Hiring Incentives To Restore Employment Act (HIRE), by Bond Type, 2010

[Money amounts are in millions of dollars]

Type of bond	Number	Amount	Percentage of total amount
	(1)	(2)	(3)
Total, taxable direct payment bonds [1]	**3,456**	**135,127**	**100.0**
Total, direct payment bonds allowed under the American Recovery and Reinvestment Act (ARRA) [2]	**2,586**	**126,230**	**93.4**
Build America Bond direct payment	2,037	120,098	88.9
Recovery zone economic development bond direct payment	549	6,131	4.5
Total, specified tax credit bonds allowed under the Hiring Incentives To Restore Employment Act (HIRE) [3]	**870**	**8,897**	**6.6**
Qualified school construction bonds	699	7,815	5.8
Qualified zone academy bonds	106	332	0.2
Qualified energy conservation bonds	48	379	0.3
New clean renewable energy bonds	17	371	0.3

[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds,* as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations,* with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Also includes bonds reported on Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues,* and Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds,* that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A). Issuers who elect to apply section 6431(f) are eligible to receive Federal direct payments and are classified as "taxable direct payment bonds" for purposes of this figure. Data exclude returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.
[2] Includes bonds reported on Form 8038-B, as well as bonds reported on Form 8038-G with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description.
[3] Includes bonds reported on Form 8038 and Form 8038-TC that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A).
NOTE: Detail may not add to totals because of rounding.

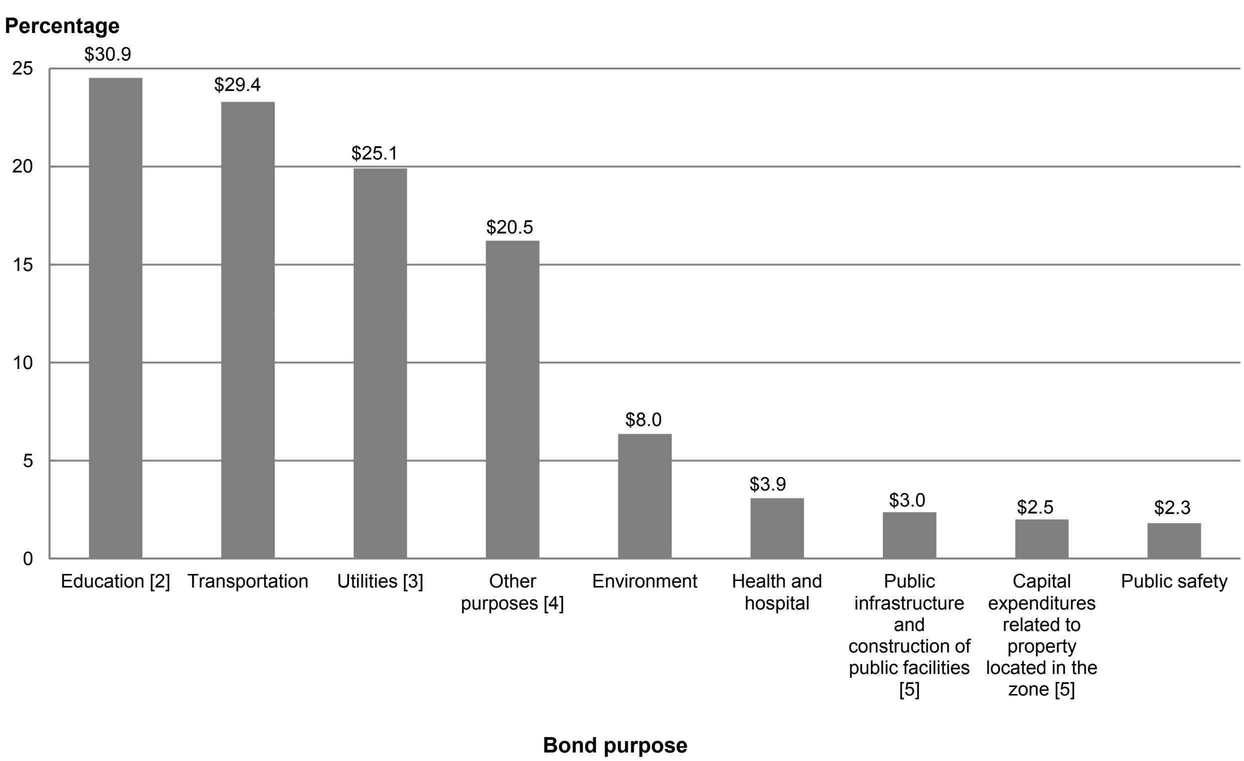
Figure M shows direct payment bonds allowed under ARRA, by selected purpose, for 2010. Education bonds constituted 24.5 percent of total direct payment proceeds with $30.9 billion, followed by transportation bonds, which accounted for 23.3 percent of total proceeds, or $29.4 billion. Other significant purposes included utilities (19.9 percent) and environment (6.4 percent), with $25.1 billion and $8 billion in proceeds, respectively.

As shown in Figure N, 15 States accounted for nearly $96.7 billion (76.6 percent) of total Build America Bond and recovery zone economic development bond issuance. The 2010 Census estimate for these 15 States, combined, was 62.9 percent of the U.S. population. California had $23.7 billion in bond issuance, which made it the single largest issuer of direct-payment bonds allowable under ARRA. Nearly 18.8 percent of all direct payment bonds were issued in California, while its population represents a little more than 12.1 percent of the U.S. population. New York issued 58 direct payment bonds totaling slightly less than $15.1 billion in proceeds, for an average of roughly $260 million per bond issued. This was the largest average amount for any State and significantly larger than

Figure M

Taxable Direct Payment Bond Amounts Allowed Under the American Recovery and Reinvestment Act (ARRA) as a Percentage of Total Proceeds, by Selected Purpose, 2010 [1]

[Money amounts are in billions of dollars]



[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations,* with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Data exclude returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.
[2] Includes bonds reported on Form 8038-B, as well as bonds reported on Form 8038-G with a specific reference to "Education" or "School" in either their issue name or other description.
[3] Includes bonds reported on Form 8038-B, as well as bonds reported on Form 8038-G with a specific reference to "Utility" in either their issue name or other description.
[4] "Other purposes" refer to build America bonds and recovery zone economic development bonds for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G or Form 8038-B. Data combines recovery zone economic development bonds reported for "other purposes" and "job training and educational programs" to avoid disclosure of specific bonds.
[5] Purposes are for recovery zone economic development bonds filing Form 8038-B.

Figure N

Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), for All States and Top 15 States, 2010

[Money amounts are in millions of dollars]

State of issue	All issues [1]			
	Number	Amount of proceeds	Percentage of total amount	Rank
	(1)	(2)	(3)	(4)
All States	**2,586**	**126,230**	**100.0**	**N/A**
Top 15 States, total	**1,236**	**96,683**	**76.6**	**N/A**
California	127	23,716	18.8	1
New York	58	15,055	11.9	2
Texas	70	9,809	7.8	3
Illinois	225	8,091	6.4	4
Ohio	144	6,803	5.4	5
New Jersey	31	5,269	4.2	6
Washington	78	4,372	3.5	7
Florida	75	3,763	3.0	8
Pennsylvania	78	3,706	2.9	9
Georgia	29	3,416	2.7	10
Massachusetts	16	2,902	2.3	11
Virginia	53	2,701	2.1	12
Colorado	59	2,622	2.1	13
Missouri	161	2,284	1.8	14
Maryland	32	2,174	1.7	15

N/A—Not applicable. Rank applies only to individual states.

[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds,* as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations,* with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Data exclude returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.

the national average of $48.8 million per direct payment issued. New York bond proceeds were 11.9 percent of the national total, a percentage greater than its share of the U.S. population (6.3 percent). Texas had $9.8 billion (7.8 percent) in direct bond issuance in 2010, making it the third largest issuer of direct payment bonds allowable under ARRA.

Figure O shows 10 States accounted for almost $5.2 billion (58 percent) of the $8.9 billion in total direct payment bond issuance allowable under HIRE (specified tax credit bonds) for 2010. The 2010 Census estimate for these 10 States, combined, was 51.9 percent of the U.S. population. California had just shy of $1.1 billion in bond issuance, which made it the single largest issuer of specified tax credit bonds. Florida and Michigan issued $732 million (8.2 percent) and $581 million (6.5 percent) of all specified tax credit bonds, but their populations represent 6.1 percent and 3.2 percent of the U.S. population, respectively. New York had $562 million (6.3 percent) while only issuing 6 specified tax credit bonds in 2010, averaging nearly $93.7 million per bond issued, again the largest average issue amount for any State and significantly higher than the national average of $10.2 million per bond issued.

Direct payment bond issuers are required to file Form 8038-CP, *Return for Credit Payments to Issuers of Qualified Bonds,* to request credit payments. Issuers requested 3,116 credit payments totaling more than $1.8 billion for interest payments made to holders of direct payment bonds during 2010 (Figure P).[26] There were

[26] Form 8038-CP, *Return for Credit Payment to Issuers of Qualified Bonds*, is used by issuers of Build America Bonds, recovery zone economic development bonds, and specified tax credit bonds who elect to receive a direct payment from the Federal Government equal to a percentage of the interest payments on these bonds. Specifically, issuers of Build America Bonds receive a credit payment equal to 35 percent of interest payable, and issuers of recovery zone economic development bonds receive a credit payment equal to 45 percent of interest payable. For specified tax credit bonds the amount of refundable credit payments for qualified zone academy bonds and qualified school construction bonds is the lesser of 100 percent of the interest payable or 100 percent of the amount of interest determined at the applicable tax credit rate under 54A(b)(3). The amount of refundable credit payments for new clean renewable energy bonds and qualified energy conservation bonds is the lesser of 70 percent of the interest payable or 70 percent of the amount of interest determined at the applicable tax credit rate under 54A(b)(3).

Figure 0

Specified Tax Credit Bonds Allowed Under the Hiring Incentives To Restore Employment Act (HIRE), for All States and Top 10 States, 2010
[Money amounts are in millions of dollars]

State of issue	Total specified tax credit bonds [1]			
	Number	Amount	Percentage of total amount	Rank
	(1)	(2)	(3)	(4)
All States	**870**	**8,897**	**100.0**	**N/A**
Top 10 States, total	**304**	**5,163**	**58.0**	**N/A**
California	50	1,083	12.2	1
Florida	22	732	8.2	2
Michigan	54	581	6.5	3
New York	6	562	6.3	4
Ohio	73	556	6.2	5
Pennsylvania	9	455	5.1	6
Texas	50	352	4.0	7
Illinois	17	330	3.7	8
Washington	17	273	3.1	9
Missouri	6	239	2.7	10

N/A—Not applicable. Rank applies only to individual States.
[1] Includes bonds reported on Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds,* and Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues,* that indicate the issuer elected to apply section 6431(f) to receive a refundable credit in lieu of tax credits under section 54(A). Issuers who elect to apply section 6431(f) are eligible to receive Federal direct payments and are classified as "specified tax credit bonds" for purposes of this figure.

2,658 Forms 8038-CP filed for direct payment bonds allowable under ARRA, accounting for almost all of the total credit payments requested. Build America Bond issuers accounted for 95.8 percent of all credit payments requested for interest paid to bondholders in 2010. An additional $32 million in credit payments were requested by issuers of recovery zone economic development bonds. Issuers of direct payment bonds allowable under HIRE filed 458 Forms 8038-CP and requested $45 million in credit payments. Issuers of qualified school construction bonds filed 374 Forms 8038-CP and requested $44 million in credit payments.

Summary

The American Recovery and Reinvestment Act of 2009 and The Hiring Incentives To Restore Employment Act of 2010 temporarily expanded municipal bond financing options by introducing direct payment bonds through the Build America Bond, the recovery zone economic development bond, and specified tax credit bond programs. More than 3,456 direct payment bonds raised $135.1 billion in proceeds in 2010. The Build America Bond program raised slightly less than $84.9 billion for education, transportation, and utilities purposes in 2010 before it expired on December 31, 2010. The provisions of HIRE allowed issuers of qualified school construction bonds, qualified zone academy bonds, qualified energy conservation bonds, and new clean renewable energy bonds to make an irrevocable election to issue direct payment bonds in the form of specified tax credit bonds. For 2010, specified tax credit bonds raised nearly $8.9 billion in proceeds for 870 qualifying facilities. However, the municipal market was still dominated by the almost 22,000 tax-exempt governmental bonds issued in 2010, raising $293.6 billion of proceeds for public projects such as schools, transportation infrastructure, and utilities. Of the nearly $217.3 billion of long-term governmental bonds issued, $122.6 billion of proceeds were used to refunded prior governmental bond issues, while the remaining $94.6 billion of proceeds financed new projects. This marked the first time since 1993 that refunding proceeds were greater than new money proceeds for governmental bonds. In addition, nearly 3,800 tax-exempt private activity bonds were issued in 2010, totaling $126.1 billion in proceeds. These tax-exempt private activity bond proceeds financed qualified private facilities (such as residential rental facilities, single-family housing, and airports), as well as the facilities of IRC section 501(c)(3) organizations (such as hospitals and private universities). Of the $123.6 billion of long-term private activity bonds issued, $63.3 billion of the proceeds were used to finance new projects, while the remaining $60.3 billion

Figure P

Interest and Credit Payments to Issuers of Direct Payment Bonds, 2010

[Money amounts are in millions of dollars]

Direct payment bond type	Number of Forms 8038-CP filed	Interest payable to bondholders	Credit payments
	(1)	(2)	(3)
Total, direct payment bonds [1]	**3,116**	**5,122**	**1,828**
Total, direct payment bonds allowable under the American Recovery and Reinvestment Act (ARRA)	**2,658**	**5,072**	**1,782**
Build America Bond	2,380	5,002	1,751
Recovery zone economic development bond	278	70	32
Total, direct payment bonds allowable under the Hiring Incentives To Restore Employment Act (HIRE)	**458**	**49**	**45**
Qualified school construction bond	374	48	44
Qualified zone academy bond	55	1	1
New clean renewable energy bond	** 29	** 1	** [2]
Qualified energy conservation bond	**	**	**

** Data combined to prevent disclosure of specific taxpayer data.

[1] Form 8038-CP, *Return for Credit Payment to Issuers of Qualified Bonds,* is used by issuers of Build America Bonds, recovery zone economic development bonds, and specified tax credit bonds who elect to receive a direct payment from the Federal Government equal to a percentage of the interest payments on these bonds. Specifically, issuers of Build America Bonds receive a credit payment equal to 35 percent of interest payable, and recovery zone economic development bonds receive a credit payment equal to 45 percent of interest payable. For specified tax credit bonds the amount of refundable credit payments for qualified zone academy bonds and qualified school construction bonds is the lesser of 100 percent of the interest payable or 100 percent of the amount of interest determined at the applicable tax credit rate under Internal Revenue Code section 54A(b)(3). The amount of refundable credit payments for new clean renewable energy bonds and qualified energy conservation bonds is the lesser of 70 percent of the interest payable or 70 percent of the amount of interest determined at the applicable tax credit rate under section 54A(b)(3).

[2] Indicates an amount less than $500,000.

NOTE: Detail may not add to totals because of rounding.

were used to refund prior tax-exempt private activity bond issues.

Data Sources and Limitations

The data presented in this article are based on the populations of Forms 8038, 8038-B, 8038-G, and 8038-TC filed with the Internal Revenue Service for bonds issued during Calendar Year 2010. Form 8038-CP data are population data for credit payments requested during the year.[27] Tax-exempt bond data exclude returns filed for commercial paper transactions, as well as issues that are loans from the proceeds of another tax-exempt bond issue, an arrangement known as pooled financing. Data for taxable bonds issued under the American Recovery and Reinvestment Act of 2009 were compiled from Forms 8038-B; however, a small percentage were obtained from Forms 8038-G that included a specific reference to “Build America Bonds” or “recovery zone economic development bonds.” Data for tax credit bonds were compiled from Forms 8038-TC; however, some data were compiled from Forms 8038 and 8038-G that included a specific reference to “qualified school construction,” “new clean renewable energy,” “qualified zone academy,” or “Midwestern tax credit” bonds. Data for credit payments were compiled from Forms 8038-CP filed for interest paid to bondholders in 2010.

Bond issuers were required to file Forms 8038, 8038-B, 8038-G, and 8038-TC by the 15th day of the second calendar month after the close of the calendar quarter in which the bond was issued. The filing deadline for Form 8038-CP varied based on the structure of the interest payments. In an effort to include as many applicable returns for a particular year as possible, each of the respective study periods extended well beyond established filing deadlines. The Forms 8038, 8038-B, 8038-G, and 8038-TC data include returns processed from January 1, 2010, to April 30, 2012, for bonds issued in 2010. The Form 8038-CP data include returns processed from October 24, 2011, to April 23, 2012, for interest paid during 2010. Where possible, data from amended returns filed and

[27] Filing requirements for Form 8038-CP, *Return for Credit Payment to Issuers of Qualified Bonds*, vary depending on whether the bond has a fixed or variable rate of interest. Fixed rate bonds must file no later than 45 days after the interest payment date and no earlier than 90 days before the interest payment date. For variable rate bonds, if the issuer does not know the payment amount 45 days prior to the interest payment date, the issuer must aggregate all credit payments on a quarterly basis and file Form 8038-CP no later than 45 days after the last interest payment date.

processed before the cutoff dates were included. Late-filed returns processed after the respective cutoff dates were not included in the statistics.

During statistical processing, returns were subject to thorough testing and correction procedures to ensure data accuracy and validity. Additional checks were conducted to identify and exclude duplicate returns. Wherever possible, returns with incomplete information, mathematical errors, or other reporting anomalies were edited to resolve internal inconsistencies. However, in other cases, it was not possible to reconcile reporting discrepancies. Thus, some reporting and processing error may remain.

Explanation of Selected Terms

American Recovery and Reinvestment Act of 2009 (ARRA)—An act of the 111th Congress passed on February 17, 2009, in response to the economic crisis. The passage of ARRA added to the Internal Revenue Code (IRC) sections 54AA and 1400U-1 through 1400U-3, authorizing State and local governments to issue two general types of Build America Bonds, recovery zone economic development bonds, and recovery zone exempt facility bonds.

Arbitrage bond—A bond where at the time of issuance, the issuer of the bond intentionally uses all proceeds or a portion of its proceeds to acquire a higher yield or to replace funds used to acquire higher yielding investments.

Bond anticipation note (BAN)—A type of short-term governmental bond issue, the proceeds of which are generally used to pay the startup costs associated with a future, long-term bond-financed project. A renewal BAN can be issued on maturity of an outstanding BAN, until eventually, the proceeds of the future bond issue are used to pay off or retire the outstanding BAN.

Build America Bond (BAB)—The American Recovery and Reinvestment Act (ARRA) added IRC section 54AA to enable State and local governments to issue bonds for authorized purposes to promote economic recovery and job creation. These new types of bonds would be issued as taxable governmental bonds with federal subsidies to help offset a portion of issuers' borrowing costs. The two distinct types of Build America Bonds—Build America Bond tax credit and Build America Bond direct payment subsidy—vary by the structure of federal subsidy. For calendar year 2010, issuers of Build America Bonds were required to file IRS Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds.*

Build America Bond tax credit bond—This type of BAB provides a tax credit to investors in an amount equal to 35 percent of the total coupon interest payable by the issuer of the taxable government bonds.

Build America Bond direct payment bond—This type of BAB provides a refundable credit payment to State or local governmental issuers in an amount equal to 35 percent of the total coupon interest payable to investors.

Clean renewable energy bond (CREB)—A type of tax credit bond used to finance eligible clean renewable energy projects which are subject to a national volume cap. Issuers of clean renewable energy bonds under IRC Section 54 must be eligible to apply for volume cap allocations. Clean renewable energy bonds were first authorized under the Energy Tax Incentive Act of 2005. For additional information, see Internal Revenue Notice 2007-26.

Commercial paper—Commercial paper consists of short-term notes that are continually rolled-over. Maturities average about 30 days but can extend up to 270 days. Many localities use commercial paper to raise cash needed for current transactions.

Enterprise zone facility bond—Established by the passage of the Revenue Reconciliation Act of 1993, this type of exempt facility bond may be issued for certain businesses in designated "empowerment zones" or "enterprise communities." These designations are made by the Secretaries of Agriculture and Housing and Urban Development and last for a 10-year period. The Taxpayer Relief Act of 1997 provided certain economically depressed census tracts within the District of Columbia designation as the "District of Columbia Enterprise Zone." Qualified enterprise zone facility bonds are generally subject to the same rules as exempt facility bonds.

Exempt facility bond—Bond issue of which 95 percent or more of the net proceeds is used to finance a tax-exempt facility (as listed in IRC sections 142(a)(1) through (15) and 142(k)). These facilities include airports, docks and wharves, mass commuting facilities, facilities for the furnishing of water, sewage facilities, solid waste disposal facilities, qualified residential rental projects, facilities for the local furnishing of electric energy or gas. They also include local district heating or cooling facilities, qualified hazardous waste facilities, high-speed intercity rail facilities, environmental enhancements of hydroelectric generating facilities, and qualified public educational facilities.

Governmental bond—Any obligation that is not a private activity bond (see below) and is issued by a State or local government unit. The interest on a governmental bond is excluded from gross income under IRC section 103.

Gulf Opportunity Zone bond—The Gulf Opportunity Zone Act of 2005, signed into law as Public Law 109-135 on December 21, 2005, authorized a new category of tax-exempt bonds. The proceeds of such bonds are used to finance the construction and rehabilitation of certain residential and nonresidential property located in certain localities of Alabama, Louisiana, and Mississippi, designated as the "Gulf Opportunity Zone." This area constitutes the portion of the Hurricane Katrina disaster area, determined by the President to warrant individual or individual and public assistance from the Federal government, under the Robert T. Stafford Disaster Relief and Emergency Assistance Act.

IRC section 1400N(a)(2) defines a qualified Gulf Opportunity Zone Bond as any bond issued as part of an issue if it meets the following requirements: (1) 95 percent or more of the net proceeds is to be used for qualified project costs, or such issue meets the requirements of a qualified mortgage issue, except as otherwise provided in IRC section 1400N(a); (2) such bond is issued by the State of Alabama, Louisiana, or Mississippi or any political subdivision thereof; (3) such bond is designated for purposes of IRC section 1400N(a) either by the Governor, or approved bond commission, of such State; (4) the bond is issued after December 21, 2005, and before January 1, 2012; and (5) no portion of the proceeds of such issue is to be used to provide any property described in IRC section 144(c)(6)(B). Gulf Opportunity Zone bonds that meet the general requirements of a qualified mortgage bond issue, and the proceeds of such bond issues that finance residences located in the Gulf Opportunity Zone, shall be treated as qualified mortgage bonds ("Gulf Opportunity Zone Mortgage Bonds"), as described in IRC section 1400N(a)(2)(A)(ii). The Act also authorized the issuance of "Gulf Opportunity Zone Advance Refunding Bonds," which allow for an additional advance refunding for certain bonds, issued by the States of Alabama, Louisiana, or Mississippi (or any political subdivision thereof), and outstanding on August 28, 2005. This provision was effective for bonds issued between December 21, 2005, and January 1, 2012. (See Internal Revenue Service Notice 2006-41, Internal Revenue Bulletin 2006-18, for additional information.)

The Hiring Incentives To Restore Employment Act of 2010 (HIRE)—Enacted on March 18, 2010, HIRE provides an option for issuers of certain qualified tax credit bonds ("specified tax credit bonds") to irrevocably elect to issue the bonds with a direct pay subsidy, in the same manner as the Build America Bonds direct pay subsidy. The issuer of these bonds will receive an interest payment subsidy from the Federal government. Bondholders will receive a taxable interest payment from the issuer instead of a tax credit. For additional information please see Internal Revenue Notice 2010-35.

Midwestern tax credit bond—A type of tax credit bond whose issuers are located in specific counties in Arkansas, Illinois, Indiana, Iowa, Missouri, Nebraska, and Wisconsin that were adversely affected by severe storms, tornadoes, or flooding (collectively referred to as "the Midwestern disaster area"). Midwestern tax credit bonds were only authorized for issuance during Calendar Year 2010. See Internal Revenue Notice 2008-109 for additional information.

New clean renewable energy bond (NEWCREB)—Any bond issued as part of an issue if: (1) 100 percent of the available project proceeds of such issue are to be used for capital expenditures incurred by governmental bodies, public power providers, or cooperative electric companies for one or more qualified renewable energy facilities; (2) the bond is issued by a qualified issuer; and (3) the issuer designates such bond for purposes of IRC section 54C.

Issuers of new clean renewable energy bonds receive 70 percent of the interest paid to the borrower if the interest was determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a new clean renewable energy bond was issued as a specified tax credit bond, issuers can receive the lesser of 70 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on new clean renewable energy bonds, see IRC section 54C and Internal Revenue Notice 2010-35.

New York Liberty Zone bonds—The Job Creation and Worker Assistance Act of 2002 created Section 1400L of the Internal Revenue Code of 1986 to provide various tax benefits for the area of New York City damaged or affected by the terrorist attack on September 11, 2001. IRC section 1400L(d) authorizes the issuance of an additional type of exempt facility bond, namely, "Liberty Bonds." Liberty Bonds are subject to the following additional requirements: (1) 95 percent or more of the net proceeds of such issue must be used for qualified project costs; (2) the bond must be issued by the State of New York or any political subdivision thereof; (3) the Governor of the State of New York or the Mayor of the City of New York must designate the bond for purposes of section 1400L(d); and (4) the bond must be issued after March 9, 2002, and before January 1, 2012. The maximum aggregate face amount of bonds that may be designated as Liberty Bonds is $8 billion.

Nongovernmental output property bond—Bonds used to finance the acquisition of property used by a nongovernmental entity in connection with an output facility (such as an electric or gas power project). This bond must meet additional tests under IRC section 141(d).

Pooled financing—An arrangement whereby a portion of the proceeds of a governmental bond issue is used to make loans to other governmental units.

Private activity bond—Bond issue of which more than 10 percent of the proceeds is used for any private business use and more than 10 percent of the payment of the principal or interest is either secured by an interest in property to be used for private business use (or payment for such property) or is derived from payments for property (or borrowed money) used for a private business use. A bond is also considered a private activity bond if the amount of the proceeds used to make or finance loans (other than loans described in IRC section 141(c)(2)) to persons other than governmental units exceeds the lesser of 5 percent of the proceeds or $5 million.

Qualified energy conservation bond—Any bond issued as part of an issue if: (1) 100 percent of the available project proceeds of such issue are to be used for one or more qualified conservation purposes; (2) the bond is issued by a State or local government; and (3) the issuer designates such bond for purposes of IRC section 54D.

Issuers of qualified energy conservation bonds receive 70 percent of the interest paid to the borrower if the interest was determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a qualified energy conservation bond was issued as a specified tax credit bond, issuers can receive the lesser of 70 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on new clean renewable energy bonds, see IRC section 54D and Internal Revenue Notice 2010-35.

Qualified green building and sustainable design project—Bond issue of which 95 percent or more of the net proceeds is used to finance qualified green building and sustainable design projects, as designated by the Secretary of the Treasury, after consultation with the Administrator of the Environmental Protection Agency. The project must be nominated by a State or local government, and the issuer must submit a detailed application to the Treasury Department for consideration, and, on approval, allocation of a specified issuance amount. Section 701 of the American Jobs Creation Act of 2004 added IRC sections 142(a)(14) and 142(l), authorizing up to $2 billion of tax-exempt private activity bonds, not subject to the unified volume cap, for qualified green building and sustainable design projects, to be issued between December 31, 2004, and October 1, 2012. (See Internal Revenue Service Notice 2006-41, Internal Revenue Bulletin 2006-18, for additional information.)

Qualified highway or surface transfer freight facility bond—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified highway or surface freight transfer facilities. Section 11143 of the Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users (SAFETEA-LU) Public Law 109-59, signed into law on August 10, 2005, added IRC sections 142(a)(15) and 142(m). Section 142(m)(1) defines the term "qualified highway or surface freight transfer facilities" as: (a) any surface transportation project that receives Federal assistance under title 23, United States Code (as in effect on August 10, 2005); (b) any project for an international bridge or tunnel for which an international entity authorized under Federal or State law is responsible and that receives Federal assistance under title 23, United States Code (as so in effect); or, (c) any facility for the transfer of freight from truck to rail or rail to truck (including any temporary storage facilities directly related to such transfers) that receives Federal assistance under either title 23 or title 49, United States Code (as so in effect). This legislation authorized issuance of up to $15 billion of such bonds, not subject to the unified volume cap, applicable to bonds issued after August 10, 2005. Allocation of the $15-billion national limitation is under the jurisdiction of the Department of Transportation. (See Internal Revenue Service Notice 2006-45, Internal Revenue Bulletin 2006-20, for additional information.)

Qualified hospital bond—Type of qualified section 501(c)(3) bond issue of which 95 percent or more of the net proceeds are to be used to finance a hospital.

Qualified mortgage bond—Bond issue of which the proceeds (except issuance costs and reasonably required reserves) are used to provide financing assistance for single-family residential property, and which meets the additional requirements in IRC section 143. Bond proceeds can be applied toward the purchase, improvement, or rehabilitation of owner-occupied residences, as well as to finance qualified home-improvement loans.

Qualified public educational facility bond—Bond issue of which 95 percent or more of the net proceeds is used to provide qualified public educational facilities, defined by IRC section 142(k)(1) as any school facility that is: (a) part of a public elementary or secondary school; and (b) is owned by a private, for-profit corporation under a public-private partnership agreement with a State or local educational agency. Under a "public-private partnership agreement," the corporation agrees to construct, rehabilitate, refurbish, or equip a school facility and, at the end of the term of the agreement, to transfer the school facility to the State or local educational agency for no additional consideration. Such bonds are not subject to the unified volume cap; rather, the annual State limit is equal to the lesser of $10 per resident or $5 million.

Qualified redevelopment bond—Bond issue of which 95 percent or more of the net proceeds is used to finance certain specified real property acquisition and redevelopment in blighted areas. (See IRC section 144(c) for additional requirements.)

Qualified school construction bond (QSCB)—A type of tax credit bond, of which 100 percent of the bond proceeds are to be used for construction, rehabilitation, repair, or land acquisition in connection with a public school facility, which is issued by a State or local government within the jurisdiction of where the school is located. QSCBs are subject to a national volume cap to be allocated by the Treasury among the States. The American Recovery and Reinvestment Act of 2009 (ARRA) created IRC section 54F authorizing QSCBs.

The Hiring Incentives to Restore Employment Act of 2010 allowed issuers of QSCBs to receive 100 percent of the interest paid to the borrower if the interest were determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a QSCB was issued as a specified tax credit bond issuers can receive the lesser of 100 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on QSCBs, see IRC section 54E and Internal Revenue Notice 2010-35.

Qualified section 501(c)(3) bond—Bonds issued by State and local governments to finance the activities of charitable organizations that are tax-exempt under IRC section 501(c)(3). A bond must meet the following conditions to be classified as a section 501(c)(3) bond: 1) all property financed by the net proceeds of the bond issue is to be owned by a section 501(c)(3) organization or a governmental unit; and 2) the bond would not be a private activity bond if section 501(c)(3) organizations were treated as governmental units with respect to their activities that are not related trades or businesses, and the private activity bond definition was applied using a 5-percent threshold rather than a 10-percent threshold. The primary beneficiaries of these bonds are private, nonprofit hospitals, colleges, and universities. A qualified hospital bond issue is one in which 95 percent or more of the net proceeds is to be used for a hospital.

Qualified small issue bond—Bond issue generally not exceeding $1 million and of which 95 percent or more of the net proceeds is used to finance the acquisition of land and depreciable property or to refund such issues. In certain instances, an election to take certain capital expenditures into account can increase the limit on bond size, from $1 million to $10 million. These bonds may only be used to finance manufacturing facilities and to benefit certain first-time farmers.

Qualified student loan bond—Bond issue of which 90 percent or more of the net proceeds is used to make or finance student loans under a program of general application subject to the Higher Education Act of 1965 (see IRC section 144(b)(1)(A) for additional requirements) or of which 95 percent or more of the net proceeds is used to make or finance student loans under a program of general application approved by the State (see Code section 144(b)(1)(B) for additional requirements).

Qualified veterans' mortgage bond—In general, a bond issue of which 95 percent or more of the net proceeds is used to finance the purchase, improvement, or rehabilitation of owner-occupied residences for veterans who: 1) served prior to January 1, 1977; and 2) applied for such a mortgage prior to the date 30 years after leaving active service or January 31, 1985, whichever is later. The payment of interest and principal must be secured by a general obligation of the State, and the bond must meet certain of the requirements of IRC section 143. The issuance of qualified veterans' mortgage bonds was limited to the following five States: Alaska, California, Oregon, Texas, and Wisconsin, each of which had a veterans' mortgage bond program in effect prior to June 22, 1984.

Qualified zone academy bond (QZAB)—A type of tax credit bond issued by a State or local government to finance certain eligible public school purposes authorized under IRC section 54E. QZABs are subject to a national volume cap to be allocated by the Treasury among the States.

Issuers of QZABs receive 100 percent of the interest paid to the borrower if the interest was determined at the tax credit bond rate determined under section 54A(b)(3) for qualified tax credit bonds. If a QZAB was issued as a specified tax credit bond, issuers can receive the lesser of 100 percent of their interest payment or the amount of interest that would have been paid if the interest rate was determined at the tax credit bond rate. For more information on QZABs, see IRC section 54E and Internal Revenue Notice 2010-35.

Recovery zone bond—The American Recovery and Reinvestment Act (ARRA) added IRC sections 1400U-1 through 1400U-3 authorizing State and local governments to issue recovery zone bonds. These bonds provide tax incentives through lower borrowing costs and are intended to promote job creation and economic recovery in targeted areas particularly affected by employment declines. See Internal Revenue Notice 2009-50 for additional information.

Recovery zone economic development bond—Authorized under IRC section 1400U-2, this type of bond provides for a deeper Federal subsidy through a refundable credit payment to State or local governmental issuers in an amount equal to 45 percent of the total coupon interest payable to investors. A recovery zone economic development bond must be a Build America Bond, the proceeds of which must be used for one or more qualified economic development purposes. Recovery zone economic development bonds are allocated under a $10 billion national bond volume cap. For Calendar Year 2010, issuers of recovery zone exempt facility bonds were required to file IRS Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds.*

Recovery zone exempt facility bond—Authorized under IRC section 1400U-3, which expanded the definition of the term "exempt facility bond" to include any recovery zone facility bond. A recovery zone exempt facility bond must be a qualified private activity bond under IRC section 142, the proceeds of which may be used to finance certain "recovery zone property." Recovery zone exempt facility bonds are allocated under a $15 billion national bond volume cap. For Calendar Year 2010, issuers of recovery zone exempt facility bonds were required to file IRS Form 8038, *Information Return for Tax-Exempt Private Activity Bonds.*

Specified tax credit bonds—New clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds and qualified school construction bonds are specified tax credit bonds for purposes of IRC section 6431(f). As a result of legislation in the HIRE Act, issuers of these bonds can elect to receive the tax credit in the form of a direct payment subsidy instead of the bondholder (investor) receiving the tax credits. Issuers are required to file IRS Form 8038-TC, *Information Return for Tax Credit Bonds and Specified Tax Credit Bonds,* to report such issues. See IRC section 54 and Internal Revenue Notice 2010-35.

Tax credit bond—Tax credit bonds are not interest-bearing obligations. The holder of a tax credit bond is generally allowed an annual Federal income tax credit while the bond is outstanding. The amount of the credit is equal to the face amount of the bond multiplied by the credit rate of the bond. Unique to all other tax credit bonds, issuers of certain qualified tax credit bonds, specifically new clean renewable energy bonds and qualified energy conservation bonds, pay bondholders taxable interest payments in addition to the tax credit the bondholder receives. For additional information, see Internal Revenue Notice 2009-15 and "Frequently asked Question on Qualified Tax Credit Bonds and Specified Tax Credit Bonds" at http://www.irs.gov/pub/irs-tege/tc_and_stcb_q-a._09-07-10_1.5.pdf.

Tax Reform Act transition property bond—A bond issued under transitional rules contained in the Tax Reform Act of 1986. Proceeds from bonds issued under these rules include issues used to fund such items as pollution control facilities, parking facilities, industrial parks, sports stadiums, and convention facilities. Proceeds from other bonds issued under the transitional rules are included in this category only if they could not be identified as another issue type.

NOTE: Additional tax-exempt bond data, including data for prior years, can be found on the SOI's Tax Stats Web site: http://www.irs.gov/taxstats. Click on "Tax-Exempt Bonds."

Table 1. Tax-Exempt Governmental Bonds, by Type and Term of Issue, 2010

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
All issues, total [1]	**21,861**	**293,625**
Short-term	5,927	76,367
Long-term	15,934	217,258
New money issues, total	**15,256**	**159,906**
Short-term	4,239	65,262
Long-term	11,017	94,644
Refunding issues, total	**8,817**	**133,719**
Short-term	2,351	11,105
Long-term	6,466	122,614

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.
NOTE: Detail may not add to totals because of rounding.

Table 2. Long-Term, Tax-Exempt Governmental Bonds, by Bond Purpose and Type of Issue, 2010

[Money amounts are in millions of dollars]

Bond purpose	All issues		New money issues		Refunding issues	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total [1]	**15,934**	**217,258**	**11,017**	**94,644**	**6,466**	**122,614**
Education	5,411	52,201	3,522	21,682	2,314	30,519
Health and hospital	312	3,619	253	1,842	89	1,777
Transportation	1,073	29,352	787	14,962	440	14,390
Public safety	1,756	5,156	1,499	2,772	407	2,383
Environment	1,421	13,693	1,008	7,679	636	6,014
Housing	100	790	67	290	42	500
Utilities	2,179	38,151	1,366	12,596	1,137	25,555
Bond and tax/revenue anticipation notes	288	2,198	247	1,882	63	316
Other purposes [2]	4,623	72,099	3,078	30,939	2,198	41,160

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G, *Information Return for Tax-Exempt Government Obligations.*

NOTE: Detail may not add to totals because of rounding.

Table 3. Computation of Lendable Proceeds for Long-Term, Tax-Exempt Governmental Bonds, by Bond Purpose, 2010

[Money amounts are in millions of dollars]

Bond purpose	Entire issue price		Bond issuance costs		Credit enhancement		Allocation to reserve fund
	Number	Amount	Number	Amount	Number	Amount	Number
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
Total [1]	**15,934**	**217,258**	**10,959**	**2,029**	**1,349**	**189**	**1,221**
Education	5,411	52,201	3,902	571	568	47	215
Health and hospital	312	3,619	173	35	16	2	31
Transportation	1,073	29,352	808	214	46	10	93
Public safety	1,756	5,156	691	53	55	5	46
Environment	1,421	13,693	1,068	114	107	11	157
Housing	100	790	d	d	4	1	d
Utilities	2,179	38,151	1,859	395	296	48	373
Bond and tax/revenue anticipation notes	288	2,198	d	d	0	0	d
Other purposes [2]	4,623	72,099	3,351	616	348	65	322

Bond purpose	Allocation to reserve fund—continued	Total lendable proceeds		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Amount	Number	Amount	Number	Amount	Number	Amount
	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Total [1]	**2,555**	**15,931**	**212,485**	**6,466**	**120,536**	**11,014**	**91,949**
Education	226	5,411	51,356	2,314	30,110	3,520	21,246
Health and hospital	54	312	3,528	89	1,741	253	1,787
Transportation	605	1,073	28,523	440	14,044	787	14,479
Public safety	40	1,756	5,057	407	2,335	1,499	2,722
Environment	182	1,421	13,387	636	5,917	1,008	7,470
Housing	d	100	769	42	493	66	276
Utilities	707	2,179	37,000	1,137	24,962	1,366	12,037
Bond and tax/revenue anticipation notes	d	288	2,178	63	313	247	1,865
Other purposes [2]	731	4,623	70,687	2,198	40,621	3,078	30,067

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Information Return for Tax-Exempt Government Obligations.*

NOTE: Detail may not add to totals because of rounding.

Table 4. New Money Long-Term, Tax-Exempt Governmental Bonds, by Bond Purpose and Size of Entire Issue, 2010

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Bond purpose	All issues		Size of entire issue					
			Under $500,000 [1]		$500,000 under $1,000,000		$1,000,000 under $5,000,000	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total [2]	**11,017**	**94,644**	**3,970**	**940**	**1,334**	**900**	**2,921**	**6,358**
Education	3,522	21,682	1,254	300	431	295	851	1,889
Health and hospital	253	1,842	74	17	24	15	71	147
Transportation	787	14,962	239	51	73	45	205	335
Public safety	1,499	2,772	866	205	209	136	237	391
Environment	1,008	7,679	263	63	122	77	319	595
Housing	67	290	10	2	10	7	23	44
Utilities	1,366	12,596	226	57	154	96	542	1,121
Bond and tax/revenue anticipation notes	247	1,882	51	16	36	24	96	222
Other purposes [3]	3,078	30,939	1,021	230	324	205	795	1,612

Bond purpose	Size of entire issue—continued							
	$5,000,000 under $10,000,000		$10,000,000 under $25,000,000		$25,000,000 under $75,000,000		$75,000,000 or more	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total [2]	**1,050**	**6,247**	**950**	**11,816**	**508**	**16,094**	**284**	**52,289**
Education	338	2,013	376	4,640	206	6,368	66	6,177
Health and hospital	20	114	30	378	21	560	13	611
Transportation	76	277	74	631	49	1,117	71	12,505
Public safety	80	336	57	344	31	441	19	920
Environment	116	585	107	1,045	42	790	39	4,525
Housing	7	48	7	67	5	94	5	28
Utilities	183	933	133	1,319	71	1,781	57	7,289
Bond and tax/revenue anticipation notes	30	197	17	237	13	577	4	608
Other purposes [3]	351	1,745	316	3,156	178	4,364	93	19,627

[1] Form 8038-G, *Information Return for Tax-Exempt Government Obligations,* with an entire issue price less than $100,000 is excluded from the study. Issuers of these bonds are instructed to file Form 8038-GC, *Information Return for Small Tax-Exempt Governmental Bond Issues, Leases, and Installment Sales.* Statistics of Income does not process data from the Forms 8038-GC filed with the Internal Revenue Service.

[2] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[3] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on the Form 8038-G, *Informational Return for Tax-Exempt Government Obligations.*

NOTE: Detail may not add to totals because of rounding.

Table 5. New Money Long-Term, Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2010

[Money amounts are in millions of dollars]

State of issue	Total [1]		Bond purpose					
			Education		Health and hospital		Transportation	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
All States	**11,017**	**94,644**	**3,522**	**21,682**	**253**	**1,842**	**787**	**14,962**
Alabama	189	642	29	88	7	125	d	d
Alaska	17	198	d	d	0	0	d	d
Arizona	135	3,227	76	342	d	d	6	693
Arkansas	150	419	64	257	4	4	4	24
California	624	14,502	214	4,010	33	411	16	2,726
Colorado	200	1,299	44	232	5	45	13	310
Connecticut	123	1,160	65	299	d	d	31	266
Delaware	22	341	3	15	0	0	d	d
District of Columbia	9	300	d	d	0	0	d	d
Florida	291	8,436	53	897	d	d	24	1,711
Georgia	219	2,091	32	322	9	56	d	d
Hawaii	7	149	d	d	d	d	0	0
Idaho	40	96	6	10	4	6	5	14
Illinois	526	3,709	293	789	d	d	30	511
Indiana	268	1,311	85	235	5	169	22	221
Iowa	361	1,809	124	719	12	37	28	70
Kansas	228	731	46	135	13	32	37	61
Kentucky	199	963	84	77	6	28	15	197
Louisiana	170	1,540	33	334	13	28	8	743
Maine	111	271	34	41	d	d	21	60
Maryland	133	1,744	28	499	8	59	15	317
Massachusetts	187	1,625	60	451	d	d	27	265
Michigan	298	1,156	89	228	7	41	d	d
Minnesota	425	2,166	90	281	0	0	47	355
Mississippi	162	310	22	99	10	25	11	46
Missouri	287	899	105	246	8	14	32	192
Montana	47	75	d	d	0	0	0	0
Nebraska	290	399	40	112	6	7	29	31
Nevada	39	271	9	30	0	0	8	158
New Hampshire	65	380	17	96	d	d	11	15
New Jersey	321	2,336	169	529	d	d	6	673
New Mexico	98	878	41	403	d	d	3	99
New York	605	6,612	302	1,071	7	310	46	1,645
North Carolina	316	2,295	48	595	7	36	8	168
North Dakota	133	135	19	21	d	d	8	3
Ohio	306	1,562	118	301	4	11	23	168
Oklahoma	383	1,909	274	976	12	40	19	250
Oregon	99	1,027	30	107	3	23	5	69
Pennsylvania	598	4,529	200	1,356	0	0	30	633
Rhode Island	32	286	4	75	0	0	6	59

Footnotes at end of table.

Table 5. New Money Long-Term, Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Total [1]		Bond purpose					
			Education		Health and hospital		Transportation	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
South Carolina	188	1,606	37	412	0	0	6	377
South Dakota	40	30	14	6	d	d	3	3
Tennessee	156	487	24	44	d	d	11	17
Texas	996	8,630	246	3,243	d	d	40	570
Utah	98	975	25	275	d	d	7	399
Vermont	88	169	16	7	4	2	6	15
Virginia	146	1,599	34	404	d	d	11	112
Washington	174	2,655	35	393	11	76	15	66
West Virginia	72	434	14	194	d	d	d	d
Wisconsin	296	1,068	96	237	d	d	59	215
Wyoming	39	62	21	21	d	d	d	d
U.S. Possessions [2]	11	3,145	d	d	0	0	0	0

Footnotes at end of table.

Table 5. New Money Long-Term, Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Bond purpose					
	Public safety		Environment		Housing	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
All States	**1,499**	**2,772**	**1,008**	**7,679**	**67**	**290**
Alabama	31	8	d	d	0	0
Alaska	0	0	0	0	0	0
Arizona	d	d	4	405	0	0
Arkansas	10	4	8	25	0	0
California	59	548	29	1,408	9	102
Colorado	23	25	d	d	d	d
Connecticut	38	34	24	81	d	d
Delaware	5	4	6	58	d	d
District of Columbia	0	0	0	0	d	d
Florida	d	d	18	447	d	d
Georgia	d	d	57	216	0	0
Hawaii	d	d	d	d	0	0
Idaho	6	22	4	12	0	0
Illinois	36	81	d	d	0	0
Indiana	43	62	36	367	0	0
Iowa	26	158	28	129	0	0
Kansas	18	27	21	10	0	0
Kentucky	25	18	6	2	0	0
Louisiana	44	46	23	98	0	0
Maine	22	15	6	4	d	d
Maryland	38	46	30	330	d	d
Massachusetts	37	33	32	300	d	d
Michigan	26	7	76	334	0	0
Minnesota	27	25	48	86	3	2
Mississippi	29	6	6	2	0	0
Missouri	34	126	27	76	0	0
Montana	0	0	11	29	d	d
Nebraska	25	13	8	4	0	0
Nevada	5	9	7	20	0	0
New Hampshire	14	27	10	12	0	0
New Jersey	42	98	30	355	d	d
New Mexico	25	13	d	d	0	0
New York	80	142	18	97	4	2
North Carolina	100	275	19	32	3	5
North Dakota	d	d	10	4	0	0
Ohio	44	25	24	486	0	0
Oklahoma	22	75	d	d	d	d
Oregon	15	29	10	82	0	0
Pennsylvania	76	87	129	829	9	19
Rhode Island	6	17	4	37	d	d

Footnotes at end of table.

Table 5. New Money Long-Term, Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Bond purpose					
	Public safety		Environment		Housing	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
South Carolina	d	d	d	d	d	d
South Dakota	9	10	d	d	d	d
Tennessee	21	14	d	d	0	0
Texas	129	131	30	194	d	d
Utah	10	109	4	11	0	0
Vermont	9	5	34	73	d	d
Virginia	33	139	22	164	d	d
Washington	24	50	8	461	4	14
West Virginia	20	5	17	48	0	0
Wisconsin	41	20	58	197	d	d
Wyoming	5	4	d	d	0	0
U.S. Possessions [2]	d	d	0	0	0	0

Footnotes at end of table.

Table 5. New Money Long-Term, Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Bond purpose					
	Utilities		Bond and tax/revenue anticipation notes		Other purposes [3]	
	Number	Amount	Number	Amount	Number	Amount
	(15)	(16)	(17)	(18)	(19)	(20)
All States	**1,366**	**12,596**	**247**	**1,882**	**3,078**	**30,939**
Alabama	35	130	d	d	68	267
Alaska	d	d	0	0	12	154
Arizona	d	d	0	0	26	1,703
Arkansas	41	84	0	0	21	20
California	77	2,897	22	739	178	1,660
Colorado	29	230	d	d	82	419
Connecticut	5	23	0	0	60	408
Delaware	d	d	0	0	7	88
District of Columbia	0	0	d	d	5	54
Florida	51	1,148	0	0	106	4,138
Georgia	23	958	d	d	52	456
Hawaii	0	0	0	0	d	d
Idaho	4	7	4	8	7	18
Illinois	28	35	d	d	121	2,241
Indiana	16	47	11	26	54	184
Iowa	36	84	9	44	131	568
Kansas	34	78	17	47	83	341
Kentucky	21	318	4	6	38	317
Louisiana	23	170	4	17	23	104
Maine	3	3	8	12	36	95
Maryland	d	d	6	100	62	362
Massachusetts	26	30	5	14	109	530
Michigan	26	94	d	d	54	430
Minnesota	66	244	24	78	138	1,096
Mississippi	9	9	0	0	75	122
Missouri	33	72	0	0	53	172
Montana	12	5	d	d	18	36
Nebraska	24	102	15	10	146	119
Nevada	10	31	0	0	4	23
New Hampshire	d	d	3	15	20	187
New Jersey	15	91	d	d	77	578
New Mexico	9	29	0	0	14	306
New York	23	119	6	9	144	3,218
North Carolina	33	114	7	17	111	1,053
North Dakota	54	78	17	15	20	12
Ohio	16	33	4	59	80	479
Oklahoma	33	397	0	0	44	163
Oregon	10	410	6	126	24	179
Pennsylvania	28	498	8	260	138	847
Rhode Island	d	d	d	d	12	85

Footnotes at end of table.

Table 5. New Money Long-Term, Tax-Exempt Governmental Bonds, by State of Issue and Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Bond purpose					
	Utilities		Bond and tax/revenue anticipation notes		Other purposes [3]	
	Number	Amount	Number	Amount	Number	Amount
	(15)	(16)	(17)	(18)	(19)	(20)
South Carolina	23	325	0	0	66	446
South Dakota	d	d	0	0	d	d
Tennessee	44	128	21	28	47	243
Texas	289	2,194	0	0	256	2,211
Utah	20	89	d	d	28	66
Vermont	15	13	d	d	12	50
Virginia	20	102	5	48	62	599
Washington	34	333	9	92	40	1,171
West Virginia	d	d	d	d	17	183
Wisconsin	42	148	15	28	76	218
Wyoming	4	12	0	0	7	8
U.S. Possessions [2]	d	d	0	0	3	2,449

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] U.S. Possessions include Guam, Puerto Rico, and the U.S. Virgin Islands.

[3] "Other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G, *Information Return for Tax-Exempt Government Obligations*.

NOTE: Detail may not add to totals because of rounding.

Table 6. Tax-Exempt Private Activity Bonds, by Type and Term of Issue, 2010

[Money amounts are in millions of dollars]

Type and term of issue	Number	Amount
All issues, total [1]	**3,799**	**127,054**
Short-term	78	3,441
Long-term	3,721	123,613
New money issues, total	**2,562**	**63,611**
Short-term	46	281
Long-term	2,516	63,330
Refunding issues, total	**1,747**	**63,443**
Short-term	37	3,160
Long-term	1,710	60,283

[1] A given bond issue can include both new money and refunding proceeds. Thus, the number of new money issues plus the number of refunding issues will sometimes exceed the total number of issues. However, the money amounts add to the totals.

NOTE: Detail may not add to totals because of rounding.

Table 7. Long-Term, Tax-Exempt Private Activity Bonds, by Bond Purpose and Type of Issue, 2010

[Money amounts are in millions of dollars]

Bond purpose	All issues		New money issues		Refunding issues	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Total [1]	**3,721**	**123,613**	**2,516**	**63,330**	**1,710**	**60,283**
Airports	97	14,719	52	7,972	67	6,747
Docks and wharves	27	2,101	10	822	22	1,279
Water, sewage, and solid waste disposal facilities	118	6,802	47	2,717	79	4,085
Qualified residential rental facilities	308	5,684	206	3,523	116	2,161
Local electricity or gas furnishing facilities	6	508	d	d	d	d
Tax Reform Act of 1986 transition property bonds	46	3,329	d	d	d	d
Qualified enterprise zone facility bonds	d	d	0	0	d	d
Qualified empowerment zone facility bonds	d	d	0	0	d	d
Qualified highway or surface freight transfer facility bonds	4	1,741	d	d	d	d
Qualified New York Liberty Zone bonds	d	d	0	0	d	d
2008 Housing Act bonds issued under IRC section 142	22	361	19	309	5	52
Qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds	61	4,962	53	4,539	8	423
Environmental enhancements of hydroelectric generating facilities	d	d	d	d	d	d
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	57	418	57	418	0	0
Qualified Hurricane Ike disaster area exempt facility bonds	5	699	5	699	0	0
Recovery zone facility bonds	427	6,267	427	6,267	0	0
Qualified mortgage bonds	84	7,355	71	4,295	48	3,061
2008 Housing Act bonds issued under IRC section 143	21	1,045	21	865	9	180
Qualified veterans' mortgage bonds	4	307	d	d	d	d
Qualified small issue bonds	428	823	335	578	103	244
Qualified student loan bonds	25	4,683	13	863	16	3,821
Qualified hospital facilities	429	29,374	249	11,710	275	17,664
Qualified section 501(c)(3) nonhospital bonds	1,614	31,631	983	16,202	955	15,429
Nongovernmental output property bonds	d	d	0	0	d	d
Other purposes [2]	12	68	9	13	3	55

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose and can include both new money and refunding proceeds. Thus, the summation of number of issues by purpose or by type of issue will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For this table, "other purposes" refer to obligations for which a specific purpose either did not apply or was not clearly indicated on Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*.

NOTE: Detail may not add to totals because of rounding.

Table 8. Computation of Lendable Proceeds for Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, 2010

[Money amounts are in millions of dollars]

Selected bond purpose	Entire issue price		Bond issuance costs		Credit enhancement		Allocation to reserve fund	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total [1]	**3,721**	**123,613**	**2,139**	**887**	**192**	**123**	**472**	**1,824**
Airports	97	14,719	88	114	19	13	37	542
Docks and wharves	27	2,101	d	d	d	d	11	83
Water, sewage, and solid waste disposal facilities	118	6,802	49	25	10	1	9	9
Qualified residential rental facilities	308	5,684	61	9	16	8	33	15
2008 Housing Act bonds issued under IRC section 142	22	361	d	d	d	d	d	d
Qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds	61	4,962	44	32	4	2	4	12
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	57	418	39	4	d	d	d	d
Recovery zone facility bonds	427	6,267	326	62	29	8	38	59
Qualified mortgage bonds	84	7,355	24	14	0	0	20	45
2008 Housing Act bonds issued under IRC section 143	21	1,045	7	2	0	0	9	16
Qualified small issue bonds	428	823	87	6	15	1	3	1
Qualified student loan bonds	25	4,683	d	d	d	d	11	40
Qualified hospital facilities	429	29,374	292	259	34	60	56	415
Qualified section 501(c)(3) nonhospital bonds	1,614	31,631	1,109	297	64	29	247	512
All other bonds, combined [2]	84	7,388	d	d	d	d	10	72

Footnotes at end of table.

Table 8. Computation of Lendable Proceeds for Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

Selected bond purpose	Total lendable proceeds		Proceeds used to refund prior issues		Nonrefunding proceeds	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
Total [1]	**3,721**	**120,778**	**1,712**	**59,352**	**2,609**	**61,427**
Airports	97	14,050	67	6,601	54	7,450
Docks and wharves	27	2,001	22	1,232	10	769
Water, sewage, and solid waste disposal facilities	118	6,767	79	4,077	48	2,690
Qualified residential rental facilities	308	5,652	116	2,158	206	3,494
2008 Housing Act bonds issued under IRC section 142	22	359	5	52	19	307
Qualified Gulf Opportunity Zone exempt facility bonds, Gulf Opportunity Zone mortgage bonds, and Gulf Opportunity Zone advance refunding bonds	61	4,916	10	421	53	4,495
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	57	411	0	0	57	411
Recovery zone facility bonds	427	6,138	0	0	427	6,138
Qualified mortgage bonds	84	7,297	48	3,044	71	4,253
2008 Housing Act bonds issued under IRC section 143	21	1,027	9	176	21	851
Qualified small issue bonds	428	815	103	244	336	571
Qualified student loan bonds	25	4,626	16	3,790	13	836
Qualified hospital facilities	429	28,640	275	17,274	259	11,366
Qualified section 501(c)(3) nonhospital bonds	1,614	30,793	955	15,152	1,065	15,641
All other bonds, combined [2]	84	7,286	63	5,131	25	2,155

d—Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues,* as well as bonds issued for: local electricity or gas furnishing facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, qualified enterprise zone facility bonds, qualified empowerment zone facility bonds, qualified highway or surface freight transfer facility bonds, New York Liberty Zone bonds, environmental enhancements of hydroelectric generating facilities, Hurricane Ike disaster area exempt facility bonds, qualified veterans' mortgage bonds, and nongovernmental output property bonds.

NOTE: Detail may not add to totals because of rounding.

Table 9. New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Size of Entire Issue, 2010

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Selected bond purpose	All issues		Size of entire issue					
			Under $1,000,000		$1,000,000 under $5,000,000		$5,000,000 under $10,000,000	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total [1]	**2,516**	**63,330**	**279**	**82**	**600**	**1,582**	**459**	**2,939**
Airports	52	7,972	0	0	d	d	d	d
Docks and wharves	10	822	0	0	0	0	0	0
Water, sewage, and solid waste disposal facilities	47	2,717	d	d	d	d	7	49
Qualified residential rental facilities	206	3,523	d	d	d	d	56	388
2008 Housing Act bonds issued under IRC section 142	19	309	0	0	d	d	8	63
Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds	53	4,539	0	0	d	d	10	67
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	57	418	d	d	26	62	13	82
Recovery zone facility bonds	427	6,267	11	6	158	441	102	716
Qualified mortgage bonds	71	4,295	0	0	0	0	0	0
2008 Housing Act bonds issued under IRC section 143	21	865	0	0	0	0	d	d
Qualified small issue bonds	335	578	225	52	60	167	39	258
Qualified student loan bonds	13	863	0	0	0	0	0	0
Qualified hospital facilities	249	11,710	4	3	26	75	26	154
Qualified section 501(c)(3) nonhospital bonds	983	16,202	26	15	273	667	198	1,144
All other bonds, combined [2]	25	2,252	6	2	d	d	d	d

Footnotes at end of table.

Table 9. New Money Long-Term Tax-Exempt Private Activity Bonds, by Selected Bond Purpose and Size of Entire Issue, 2010—Continued

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Selected bond purpose	Size of entire issue							
	$10,000,000 under $25,000,000		$25,000,000 under $50,000,000		$50,000,000 under $100,000,000		$100,000,000 or more	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Total [1]	**534**	**7,187**	**267**	**6,981**	**173**	**10,239**	**204**	**34,319**
Airports	7	90	7	210	4	277	25	7,377
Docks and wharves	d	d	d	d	d	d	5	637
Water, sewage, and solid waste disposal facilities	10	171	6	172	7	368	10	1,937
Qualified residential rental facilities	74	1,101	25	682	10	561	5	679
2008 Housing Act bonds issued under IRC section 142	7	91	d	d	d	d	0	0
Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds	d	d	7	171	12	846	16	3,402
Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds	9	124	3	91	d	d	0	0
Recovery zone facility bonds	100	1,595	36	1,215	12	865	8	1,425
Qualified mortgage bonds	5	63	13	251	23	931	30	3,049
2008 Housing Act bonds issued under IRC section 143	0	0	d	d	8	338	7	457
Qualified small issue bonds	11	100	0	0	0	0	0	0
Qualified student loan bonds	d	d	d	d	d	d	6	673
Qualified hospital facilities	56	671	39	947	41	2,422	57	7,438
Qualified section 501(c)(3) nonhospital bonds	253	3,048	133	3,011	54	2,899	46	5,419
All other bonds, combined [2]	d	d	0	0	5	394	10	1,826

d—Data deleted to avoid disclosure of information for specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues,* as well as bonds issued for: local electricity or gas furnishing facilities, facilities issued under a transitional rule of the Tax Reform Act of 1986, qualified highway or surface freight transfer facility bonds, environmental enhancements of hydroelectric generating facilities, Hurricane Ike disaster area exempt facility bonds, and qualified veterans' mortgage bonds.

NOTE: Detail may not add to totals because of rounding.

Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010
[Money amounts are in millions of dollars]

State of issue	Total [1]		Selected bond purpose							
			Airports, docks, and wharves [2]		Water, sewage, and solid waste disposal facilities		Qualified residential rental facilities		2008 Housing Act bonds issued under IRC section 142	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
All States	**2,516**	**63,330**	**62**	**8,794**	**47**	**2,717**	**206**	**3,523**	**19**	**309**
Alabama	37	913	d	d	d	d	d	d	0	0
Alaska	9	167	d	d	d	d	d	d	0	0
Arizona	24	476	d	d	0	0	0	0	0	0
Arkansas	16	136	0	0	0	0	0	0	0	0
California	185	6,082	7	2,568	13	277	50	553	0	0
Colorado	30	1,125	0	0	0	0	d	d	0	0
Connecticut	26	1,142	d	d	0	0	d	d	0	0
Delaware	13	552	0	0	d	d	0	0	0	0
District of Columbia	28	779	d	d	0	0	d	d	0	0
Florida	100	4,141	7	983	d	d	11	121	4	39
Georgia	61	1,852	d	d	d	d	5	28	d	d
Hawaii	4	790	d	d	d	d	0	0	0	0
Idaho	14	174	0	0	0	0	0	0	0	0
Illinois	149	2,567	3	111	d	d	11	204	0	0
Indiana	41	774	0	0	d	d	0	0	0	0
Iowa	161	422	d	d	0	0	0	0	0	0
Kansas	50	313	0	0	0	0	0	0	0	0
Kentucky	34	895	0	0	d	d	d	d	0	0
Louisiana	53	3,553	d	d	0	0	d	d	0	0
Maine	11	299	d	d	0	0	d	d	d	d
Maryland	54	1,048	d	d	0	0	7	154	0	0
Massachusetts	98	2,442	d	d	d	d	8	263	0	0
Michigan	51	835	0	0	d	d	d	d	d	d
Minnesota	93	1,240	d	d	d	d	13	117	0	0
Mississippi	28	1,605	0	0	0	0	d	d	0	0
Missouri	62	1,019	0	0	0	0	11	91	d	d
Montana	25	236	0	0	0	0	0	0	0	0
Nebraska	34	492	d	d	0	0	0	0	0	0
Nevada	5	988	d	d	0	0	0	0	0	0
New Hampshire	22	360	0	0	0	0	d	d	0	0
New Jersey	49	1,685	0	0	3	30	d	d	0	0
New Mexico	6	93	0	0	0	0	0	0	d	d
New York	131	4,990	d	d	3	102	21	1,204	0	0
North Carolina	52	1,226	0	0	0	0	d	d	0	0
North Dakota	36	465	d	d	d	d	0	0	0	0

Footnotes at end of table.

Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Total [1]		Selected bond purpose							
			Airports, docks, and wharves [2]		Water, sewage, and solid waste disposal facilities		Qualified residential rental facilities		2008 Housing Act bonds issued under IRC section 142	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Ohio	79	2,276	d	d	0	0	9	77	0	0
Oklahoma	6	164	0	0	0	0	d	d	0	0
Oregon	25	482	d	d	0	0	d	d	0	0
Pennsylvania	172	2,733	d	d	d	d	4	41	d	d
Rhode Island	14	265	0	0	0	0	0	0	d	d
South Carolina	25	681	d	d	0	0	0	0	0	0
South Dakota	21	239	0	0	0	0	0	0	0	0
Tennessee	50	905	d	d	0	0	5	29	0	0
Texas	81	4,997	8	783	6	515	3	36	0	0
Utah	20	281	0	0	0	0	d	d	d	d
Vermont	19	203	0	0	0	0	4	11	d	d
Virginia	62	1,618	0	0	d	d	7	126	d	d
Washington	46	924	3	182	d	d	3	52	d	d
West Virginia	15	388	0	0	d	d	d	d	0	0
Wisconsin	86	1,221	d	d	0	0	d	d	0	0
Wyoming	3	74	0	0	0	0	0	0	0	0

Footnotes at end of table.

Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose									
	Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds		Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds		Recovery zone facility bonds		Qualified mortgage bonds		2008 Housing Act bonds issued under IRC section 143	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
All States	**53**	**4,539**	**57**	**418**	**427**	**6,267**	**71**	**4,295**	**21**	**865**
Alabama	6	375	0	0	14	235	0	0	0	0
Alaska	0	0	0	0	4	26	d	d	0	0
Arizona	0	0	0	0	5	119	0	0	0	0
Arkansas	0	0	0	0	3	52	0	0	0	0
California	0	0	0	0	21	559	d	d	0	0
Colorado	0	0	0	0	d	d	0	0	0	0
Connecticut	0	0	0	0	0	0	3	60	d	d
Delaware	0	0	0	0	5	100	d	d	0	0
District of Columbia	0	0	0	0	d	d	0	0	0	0
Florida	0	0	0	0	11	194	8	439	d	d
Georgia	0	0	0	0	15	239	d	d	0	0
Hawaii	0	0	0	0	0	0	0	0	0	0
Idaho	0	0	0	0	9	126	d	d	0	0
Illinois	0	0	d	d	23	459	0	0	0	0
Indiana	0	0	d	d	8	54	d	d	0	0
Iowa	0	0	25	119	d	d	d	d	d	d
Kansas	0	0	0	0	12	58	0	0	0	0
Kentucky	0	0	0	0	8	69	d	d	d	d
Louisiana	27	2,766	0	0	5	17	d	d	0	0
Maine	0	0	0	0	4	30	3	90	d	d
Maryland	0	0	0	0	14	187	d	d	0	0
Massachusetts	0	0	0	0	14	269	d	d	0	0
Michigan	0	0	0	0	14	241	d	d	d	d
Minnesota	0	0	0	0	9	134	d	d	d	d
Mississippi	20	1,398	0	0	d	d	d	d	0	0
Missouri	0	0	0	0	15	170	d	d	d	d
Montana	0	0	0	0	d	d	0	0	0	0
Nebraska	0	0	0	0	8	110	d	d	0	0
Nevada	0	0	0	0	0	0	d	d	d	d
New Hampshire	0	0	0	0	7	87	0	0	d	d
New Jersey	0	0	0	0	6	110	0	0	0	0
New Mexico	0	0	0	0	d	d	d	d	d	d
New York	0	0	0	0	15	470	3	209	0	0
North Carolina	0	0	0	0	16	384	0	0	0	0
North Dakota	0	0	0	0	19	97	4	233	0	0

Footnotes at end of table.

Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose									
	Qualified Gulf Opportunity Zone exempt facility bonds, and Gulf Opportunity Zone mortgage bonds		Qualified Midwestern disaster area exempt facility bonds, and qualified Midwestern disaster area mortgage bonds		Recovery zone facility bonds		Qualified mortgage bonds		2008 Housing Act bonds issued under IRC section 143	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)
Ohio	0	0	0	0	26	488	d	d	0	0
Oklahoma	0	0	0	0	d	d	d	d	0	0
Oregon	0	0	0	0	4	154	d	d	0	0
Pennsylvania	0	0	0	0	24	84	d	d	d	d
Rhode Island	0	0	0	0	0	0	d	d	0	0
South Carolina	0	0	0	0	d	d	d	d	0	0
South Dakota	0	0	0	0	9	50	d	d	d	d
Tennessee	0	0	0	0	6	117	3	182	d	d
Texas	0	0	0	0	d	d	0	0	0	0
Utah	0	0	0	0	9	90	d	d	d	d
Vermont	0	0	0	0	6	102	d	d	d	d
Virginia	0	0	0	0	8	133	d	d	0	0
Washington	0	0	0	0	5	39	d	d	0	0
West Virginia	0	0	0	0	d	d	d	d	0	0
Wisconsin	0	0	26	165	16	124	d	d	0	0
Wyoming	0	0	0	0	0	0	d	d	0	0

Footnotes at end of table.

Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose									
	Qualified small issue bonds		Qualified student loan bonds		Qualified hospital facilities		Qualified section 501(c)(3) nonhospital bonds		All other bonds, combined [3]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
All States	**335**	**578**	**13**	**863**	**249**	**11,710**	**983**	**16,202**	**25**	**2,252**
Alabama	3	21	0	0	d	d	8	83	0	0
Alaska	0	0	0	0	0	0	d	d	0	0
Arizona	d	d	0	0	3	116	13	136	d	d
Arkansas	d	d	0	0	d	d	d	d	0	0
California	d	d	0	0	5	349	75	1,526	d	d
Colorado	d	d	0	0	4	401	21	280	d	d
Connecticut	0	0	d	d	11	309	9	647	0	0
Delaware	0	0	0	0	d	d	d	d	0	0
District of Columbia	0	0	0	0	0	0	12	373	0	0
Florida	d	d	0	0	10	460	44	955	0	0
Georgia	7	37	0	0	10	450	17	327	0	0
Hawaii	0	0	0	0	d	d	0	0	d	d
Idaho	0	0	0	0	d	d	d	d	0	0
Illinois	55	40	0	0	13	531	41	1,022	d	d
Indiana	d	d	0	0	8	253	15	189	0	0
Iowa	104	25	0	0	d	d	22	138	3	11
Kansas	20	3	0	0	3	119	15	133	0	0
Kentucky	d	d	0	0	9	579	12	63	0	0
Louisiana	0	0	0	0	d	d	14	325	d	d
Maine	0	0	d	d	0	0	d	d	0	0
Maryland	d	d	d	d	d	d	26	577	0	0
Massachusetts	6	26	0	0	11	520	57	1,085	d	d
Michigan	5	20	0	0	12	198	19	199	0	0
Minnesota	3	4	d	d	3	103	61	553	0	0
Mississippi	d	d	0	0	d	d	3	20	0	0
Missouri	16	15	0	0	3	232	14	287	0	0
Montana	0	0	0	0	d	d	8	103	0	0
Nebraska	d	d	0	0	5	94	12	116	0	0
Nevada	0	0	0	0	0	0	0	0	0	0
New Hampshire	0	0	0	0	d	d	9	111	0	0
New Jersey	3	6	d	d	7	393	26	766	0	0
New Mexico	0	0	0	0	d	d	d	d	0	0
New York	d	d	0	0	25	504	57	1,649	d	d
North Carolina	0	0	0	0	9	531	d	d	0	0
North Dakota	d	d	0	0	3	41	8	44	0	0

Footnotes at end of table.

Table 10. New Money Long-Term, Tax-Exempt Private Activity Bonds, by State of Issue and Selected Bond Purpose, 2010—Continued

[Money amounts are in millions of dollars]

State of issue	Selected bond purpose									
	Qualified small issue bonds		Qualified student loan bonds		Qualified hospital facilities		Qualified section 501(c)(3) nonhospital bonds		All other bonds, combined [3]	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(21)	(22)	(23)	(24)	(25)	(26)	(27)	(28)	(29)	(30)
Ohio	d	d	0	0	13	829	27	456	0	0
Oklahoma	0	0	0	0	0	0	d	d	0	0
Oregon	0	0	0	0	4	181	12	63	0	0
Pennsylvania	33	82	0	0	25	864	74	913	5	1
Rhode Island	3	15	d	d	d	d	5	63	0	0
South Carolina	d	d	0	0	3	346	15	130	0	0
South Dakota	5	2	0	0	d	d	4	27	0	0
Tennessee	d	d	0	0	3	227	31	236	0	0
Texas	d	d	4	348	6	790	45	1,112	7	1,398
Utah	d	d	0	0	0	0	5	21	0	0
Vermont	0	0	d	d	d	d	4	25	0	0
Virginia	5	10	0	0	4	378	35	386	0	0
Washington	8	7	0	0	5	358	17	131	d	d
West Virginia	0	0	0	0	0	0	10	216	0	0
Wisconsin	11	43	0	0	9	621	30	180	0	0
Wyoming	0	0	0	0	0	0	d	d	0	0

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[2] For purposes of this table, certain bond purposes were combined. For this reason, data in this table will differ slightly from the data in Tables 7 and 9.

[3] For purposes of this table, this category includes all issues for which a specific purpose either did not apply or was not clearly indicated on Form 8038, *Information Return for Tax-Exempt Private Activity Bond Issues*, as well as bonds issued for: local electricity or gas furnishing facilities, facilities issued under a transitional rule of the Tax Reform Act

NOTE: Detail may not add to totals because of rounding.

Table 11. Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), by Bond Purpose and Size of Entire Issue, 2010

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Bond purpose	All issues		Size of entire issue: Under $1,000,000		Size of entire issue: $1,000,000 under $5,000,000		Size of entire issue: $5,000,000 under $10,000,000	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Total [1, 2]	**2,586**	**126,230**	**326**	**170**	**661**	**1,811**	**409**	**2,876**
Build America bond direct payment	**2,037**	**120,098**	**264**	**132**	**459**	**1,260**	**284**	**1,973**
Education	682	30,930	31	16	133	392	114	772
Health and hospital	70	3,883	d	d	16	46	d	d
Transportation	269	29,389	22	10	68	107	33	147
Public safety	208	2,272	50	16	42	83	29	113
Environment	242	8,018	27	12	72	143	26	122
Housing	30	461	d	d	d	d	3	19
Utilities	471	25,104	109	55	104	224	47	277
Bond and tax/revenue anticipation notes	7	229	0	0	d	d	d	d
Other purposes [3]	464	19,809	40	20	110	241	83	493
Recovery zone economic development bond direct payment	**549**	**6,131**	**62**	**38**	**202**	**551**	**125**	**903**
Capital expenditures related to property located in the zone	238	2,508	d	d	d	d	51	347
Public infrastructure and construction of public facilities	278	2,978	28	18	109	298	66	479
Other purposes [4]	44	645	d	d	d	d	11	77

Footnotes at end of table.

Table 11. Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), by Bond Purpose and Size of Entire Issue, 2010—Continued

[Money amounts are in millions of dollars, except for size of entire issue, which is in whole dollars]

Bond purpose	Size of entire issue: $10,000,000 under $25,000,000		Size of entire issue: $25,000,000 under $75,000,000		Size of entire issue: $75,000,000 or more	
	Number	Amount	Number	Amount	Number	Amount
	(9)	(10)	(11)	(12)	(13)	(14)
Total [1, 2]	**493**	**7,917**	**367**	**15,917**	**330**	**97,538**
Build America bond direct payment	**381**	**6,150**	**331**	**14,491**	**318**	**96,091**
Education	169	2,533	142	5,856	93	21,361
Health and hospital	13	218	d	d	21	3,033
Transportation	35	361	32	1,200	79	27,564
Public safety	45	380	23	426	19	1,252
Environment	39	413	34	1,125	44	6,203
Housing	4	67	d	d	d	d
Utilities	60	871	69	2,875	82	20,802
Bond and tax/revenue anticipation notes	3	53	0	0	d	d
Other purposes [3]	97	1,255	62	2,276	72	15,524
Recovery zone economic development bond direct payment	**112**	**1,767**	**36**	**1,426**	**12**	**1,447**
Capital expenditures related to property located in the zone	57	878	d	d	3	320
Public infrastructure and construction of public facilities	52	809	16	669	7	705
Other purposes [4]	6	80	d	d	5	422

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*, as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations,* with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Data excludes returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.

[2] A given bond issue can include more than one purpose. Thus, the summation of number of issues by purpose will sometimes exceed the total number of issues. However, the money amounts add to the totals.

[3] "Other purposes" refer to Build America Bonds for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G, *Information Return for Tax-Exempt Government Obligations* or Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*.

[4] "Other purposes" refer to Recovery Zone Economic Development Bonds for which a specific purpose either did not apply or was not clearly indicated on Form 8038-G, *Information Return for Tax-Exempt Government Obligations* or Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds*. Data combines bonds reported for "other purposes" and "job training and educational programs" to avoid disclosure of specific bonds.

NOTE: Detail may not add to totals because of rounding.

Table 12. Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), by State of Issue and Bond Type, 2010

[Money amounts are in millions of dollars]

State of issue	All issues		Build America bond direct payment		Recovery zone economic development bond direct payment	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
All States [1]	**2,586**	**126,230**	**2,037**	**120,098**	**549**	**6,131**
Alabama	41	659	16	417	25	242
Alaska	23	291	9	207	14	84
Arizona	39	1,528	d	d	d	d
Arkansas	3	40	3	40	0	0
California	127	23,716	105	23,003	22	713
Colorado	59	2,622	d	d	d	d
Connecticut	21	1,211	15	1,128	6	83
Delaware	11	416	6	341	5	76
District of Columbia	12	1,130	d	d	d	d
Florida	75	3,763	62	3,491	13	272
Georgia	29	3,416	15	3,137	14	279
Hawaii	8	1,240	5	1,180	3	60
Idaho	14	169	14	169	0	0
Illinois	225	8,091	168	7,711	56	381
Indiana	43	1,528	26	1,459	17	69
Iowa	31	455	25	403	6	52
Kansas	28	418	21	369	7	48
Kentucky	113	1,697	107	1,641	6	56
Louisiana	24	570	d	d	d	d
Maine	13	115	7	92	6	23
Maryland	32	2,174	d	d	d	d
Massachusetts	16	2,902	12	2,718	4	184
Michigan	105	1,997	60	1,493	45	504
Minnesota	116	1,197	96	1,045	20	151
Mississippi	6	668	d	d	d	d
Missouri	161	2,284	120	2,059	41	224
Montana	d	d	d	d	0	0
Nebraska	54	752	47	676	7	77
Nevada	27	1,568	21	1,529	6	39
New Hampshire	7	225	d	d	d	d
New Jersey	31	5,269	21	5,109	10	160
New Mexico	10	257	d	d	d	d
New York	58	15,055	49	14,929	9	126
North Carolina	109	1,502	74	1,103	35	399
North Dakota	17	105	10	51	7	53
Ohio	144	6,803	96	6,474	48	330
Oklahoma	17	517	17	517	0	0
Oregon	21	1,235	10	1,143	11	93
Pennsylvania	78	3,706	64	3,648	14	58
Rhode Island	d	d	0	0	d	d
South Carolina	31	915	20	807	11	108
South Dakota	58	368	48	303	10	64

Footnotes at end of table.

Table 12. Taxable Direct Payment Bonds Allowed Under the American Recovery and Reinvestment Act (ARRA), by State of Issue and Bond Type, 2010

[Money amounts are in millions of dollars]

State of issue	All issues		Build America bond direct payment		Recovery zone economic development bond direct payment	
	Number	Amount	Number	Amount	Number	Amount
	(1)	(2)	(3)	(4)	(5)	(6)
Tennessee	41	1,743	34	1,559	7	184
Texas	70	9,809	d	d	d	d
Utah	63	1,721	58	1,641	5	80
Vermont	16	172	d	d	d	d
Virginia	53	2,701	44	2,628	9	73
Washington	78	4,372	68	4,286	10	86
West Virginia	d	d	d	d	d	d
Wisconsin	206	1,546	190	1,484	16	62
Wyoming	7	178	4	129	3	49
U.S. Possessions [2]	8	1,193	d	d	d	d

d—Data deleted to avoid disclosure of information about specific bonds. However, the data are included in the appropriate totals.

[1] Includes bonds reported on Form 8038-B, *Information Return for Build America Bonds and Recovery Zone Economic Development Bonds* , as well as bonds reported on Form 8038-G, *Information Return for Tax-Exempt Governmental Obligations* , with a specific reference to "Build America Bond direct payment" or "Recovery Zone Economic Development Bond" in either their issue name or other description. Data excludes returns specifically referencing "Build America Bond tax credit" in either their issue name or other description.

[2] U.S. Possessions include Puerto Rico and the U.S. Virgin Islands.

NOTE: Detail may not add to totals because of rounding.